

# **uMLALAZI MUNICIPALITY**



## **DRAFT BUDGET AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) COMMENCING IN 2013/2014**

**5 MARCH 2013**

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## ABBREVIATIONS AND ACRONYMS

COGTA	-	Co-Operative Governance and Traditional Affairs
CPI	-	Consumer Price Index
DORA	-	Division of Revenue Act
GRAP	-	Generally Recognised Accounting Practice
IBT	-	Inclining Block Tariff
IDP	-	Integrated Development Plan
KDS	-	King Dinuzulu Suburb
KWH	-	Kilowatt Hour
LED	-	Local Economic Development
LG	-	Local Government
MIG	-	Municipal Infrastructure Grant
MFMA	-	Municipal Finance Management Act
MPRA	-	Municipal Property Rates Act
MSIG	-	Municipal Systems Improvement Grant
MTREF	-	Medium Term Revenue and Expenditure Framework
NERSA	-	National Electricity Regulator of South Africa
PMU	-	Project Management Unit
PPE	-	Property Plant and Equipment
SALGA	-	South African Local Government Association
SALGBC	-	South African Local Government Bargaining Council
SDBIP	-	Service Delivery and Budget Implementation Plan

## 1. MAYORS' REPORT

The purpose of the mayor's report is to provide a high level summary of the budget that draws on the executive summary and highlights key deliverables during the coming years. The report will address certain fundamental issues such as the eradication of backlogs, commencement of new projects and programmes.

The mayor's report will be tabled at the Council's meeting on 28 May 2013, where the Draft Budget and Medium Term revenue and expenditure Framework (MTREF), will be considered by Council.

The mayor's report will provide the following:

- (a) a summary of the medium-term service delivery objectives and the associated medium term financial implications contained in the annual budget;
- (b) a summary of linkages between the annual budget, the Integrated Development Plan and the political priorities at the national, provincial, district and local levels;
- (c) a summary of infrastructure development objectives;
- (d) a summary of material amendments made to the annual budget after the consultation processes; and
- (e) any other information considered relevant by the Mayor.

## 2. RESOLUTIONS

### Recommended

1. That the Council approve the draft Budget and Medium Term Revenue and Expenditure Framework (MTREF) commencing in 2013/2014, as working documents for the 2013/2014 budget process.
2. That in terms of Section 22 of the Local Government: Municipal Finance Management Act No. 56 of 2003, an advertisement be placed to invite the local community to submit representations in connection with the Medium Term Revenue and Expenditure Framework (MTREF).
3. That Councilors ensure that this working document be discussed at the respective ward committee meetings.

### 3. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were received as part of this year's planning and budget process. Where appropriate, funds were transferred from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

The budget/IDP process occurred according to the budget timetable approved by Council in June 2012. This ensured compliance with the LG: MFMA and subsequent circulars in the preparation and approval of the multi-year budget/IDP.

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was also prepared taking cognizance of the contents of the Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 66 and the LG:MFMA Budget Formats Guide received from National Treasury.

The main challenges experienced during the compilation of the 2013/2014 Budget and MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable – as there will be a point where services will no longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.
- Affordability of capital projects-original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2013/2014 budget and MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2013/2014 Budget and MTREF:

- The 2012/2013 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2013/2014 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/2014 Budget and Medium-term Revenue and Expenditure Framework:

#### 3.1 Consolidated Overview of the 2013/2014 Budget and MTREF

Details	Adjustments Budget 2012/2013 (R)	Budget Year 2013/2014 (R)	Budget Year 2014/2015 (R)	Budget Year 2015/2016 (R)
Total operating revenue	201 324 642	206 921 280	224 913 030	245 700 320
Total operating expenditure	201 267 942	206 863 930	224 885 380	245 648 070
(Surplus)/Deficit for the year	-56 700	-57 350	-27 650	-52 250
Total Capital Expenditure	49 708 931	41 874 000	35 510 086	47 509 000

Total operating revenue has grown by 2.78 per cent or R5 596 638 for the 2013/2014 financial year when compared to the 2012/2013 Adjustments Budget. For the two outer years, operational revenue will increase by 8.7 and 9.24 per cent respectively, equating to a total revenue growth of R44 375 678 over the MTREF when compared to the 2012/2013 financial year.

Total operating expenditure for the 2013/2014 financial year has been appropriated at R206 863 930 and translates into a budgeted surplus of R57 350. When compared to the 2012/2013 Adjustments Budget, operational expenditure has grown by 2.78 per cent in the 2013/2014 budget and by 8.71 and 9.23 per cent for each of the respective outer years of the MTREF.

The capital budget of R41 874 000 for 2013/2014 is 15.76 per cent less when compared to the 2012/2013 Adjustment Budget. The capital budget is mainly funded from Government grants over the MTREF.

### 3.2 Operating Revenue Framework

For uMlalazi Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 85 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA)
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policy of the Municipality.

The following table is a summary of the 2013/2014 Budget and MTREF (classified by main revenue source):

### 3.2.1 Summary of revenue classified by main revenue source

Description	Current Year 2012/2013			Medium Term Revenue and Expenditure Framework		
	Original Budget (R)	Adjusted Budget (R)	Full Year Forecast (R)	Budget Year 2013/2014 (R)	Budget Year 2014/2015 (R)	Budget Year 2015/2016 (R)
Revenue by Source						
Property rates	29 921 300	30 891 570	30 891 570	33 019 300	34 683 400	36 957 800
Property rates-penalties & collection charges	633 380	782 100	782 100	825 120	867 200	909 690
Service charges- electricity revenue	49 366 010	49 973 440	49 973 440	56 636 200	63 766 900	72 904 100
Service charges- refuse revenue	8 069 570	8 082 520	8 082 520	9 058 400	9 692 400	10 370 900
Rental of facilities and equipment	1 234 910	1 207 720	1 207 720	1 266 650	1 332 620	1 397 810
Interest earned-external investments	650 000	1 100 000	1 100 000	1 100 000	1 100 000	1 100 000
Fines	4 905 760	3 432 520	3 432 520	3 604 270	3 788 150	3 973 730
Licences and permits	3 468 020	3 366 180	3 366 180	3 551 320	3 732 430	3 915 320
Transfers recognized – operational	92 955 020	99 463 902	99 463 902	94 900 480	102 898 610	111 389 000
Other revenue	3 493 280	2 824 690	2 824 690	2 759 540	2 851 320	2 581 970
Gains on disposal of PPE	200 000	200 000	200 000	200 000	200 000	200 000
Total revenue (excluding capital transfers and contributions)	194 897 250	201 324 642	201 324 642	206 921 280	224 913 030	245 700 320

In line with the formats prescribed by the Municipal Budget and reporting regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise nearly half of the total revenue mix. In the 2012/2013 financial year, revenue from rates and services charges totaled R89 729 630 or 43.36 per cent. This increase to R99 539 020 ,R109 009 900 and R121 142 490 in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from 48.1 per cent in 2013/2014 to 49.3 per cent in 2015/2016. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity.

Property rates is the third largest revenue source totaling 16.36 per cent or R33 844 420 rand and increases to R37 867 490 by 2015/2016.

Operating grants and transfers is the second largest revenue source totaling R92 955 020 in the 2012/2013 financial year and steadily increases to R111 389 000 by 2015/2016. Note that the year-on-year growth for the 2013/2014 financial year is 2.09 per cent and then increases to 8.43 and 8.25 per cent in the two outer years. The following tables gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:



### 3.2.2 Operating transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		42 920	53 055	64 213	89 568	95 370	95 370	90 672	98 458	106 734
Local Government Equitable Share		40 935	50 439	60 650	70 288	76 090	76 090	74 822	82 558	90 734
Municipal Systems Improvement		984	750	1 340	800	800	800	900	950	950
Finance Management		1 000	1 176	1 323	1 500	1 500	1 500	1 750	1 750	1 750
Integrated National Electrification Programme					15 000	15 000	15 000	12 000	12 000	12 000
EPWP Incentive					1 000	1 000	1 000			
Project Management Unit (MIG Projects)			690	900	980	980	980	1 200	1 200	1 300
<b>Provincial Government:</b>		2 290	3 283	4 935	2 859	3 565	3 565	3 671	3 840	4 025
Health subsidy		2 193	3 090	2 576	637	637	637	-	-	-
Housing						448	448			
PIPMA DTLGA - IDM		2					-			
PT: Community Library Services		27			216	216	216	227	238	249
PT: Provincialisation of Libraries				1 237	1 298	1 298	1 298	2 726	2 876	3 034
COGTA: Establishment of Pound Grant				4			-			
PT: Greenest Municipality				291		116	116			
Museum Subsidy		68	73	125	134	134	134	143	151	167
COGTA : Groundnut Activities				512			-			
Gratuity Payment: Non-returning councillors			-				-			
Library Cyber Cadet KDS GR50			120	190		135	135			
Information Signs Tourism R66			0			6	6			
Property rates					574	574	574	575	575	575
<b>District Municipality:</b>		901	1 177	626	528	528	528	557	601	630
Uthungulu District Grant: Salary Claims		773	852	626	528	528	528	557	601	630
Uthungulu District Grant: Zulu Dance		24	20							
Uthungulu District Grant: Capacity Building		77								
Uthungulu District Grant: Information Signs R66		26	281							
Capacity Building BDPCB -UDM			25							
<b>Total Operating Transfers and Grants</b>	5	46 110	57 516	69 774	92 955	99 463	99 463	94 900	102 899	111 389

### 3.3 Tariffs

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom's bulk tariff is far beyond the mentioned inflation target. Given that this tariff increase is determined by external agencies, the impact it has on the municipality's electricity tariffs are largely outside the control of the municipality. Discounting the impact of this price increase in lower consumer tariffs will erode the future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement, etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by their operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

#### 3.3.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No.51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17 (h) of the MPRA). In addition to this rebate, a further R60 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a rebate will be granted to owners of rate-able property as follows:  
40 per cent rebate

- (i) A single person receiving a total income of R5 390 per month or less
- (ii) A married couple receiving a joint monthly income of R6 720 per month or less

20 per cent rebate

- (i) A single person receiving a total income of R5 391 per month or more
- (ii) A married couple receiving a joint monthly income of R6 721 per month or more

In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of health, also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to the debt should be in place; and
- The property must be categorized as residential.
- The municipality may award a 100 per cent grant in aid on the assessment rates of rate-able properties of certain classes such as churches, registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport.

In considering changes in property rates, cognizance was taken of the local economic conditions such as the gradual recovery in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non payment and increased bad debts.

The council at its meeting held on 29 May 2012, resolved to grant a 20% discount to ratepayers that makes a single rates payment at the end of September of each year. Council receives between 5 and 6 per cent on investments. It is therefore suggested that the discount for single rates payment be amended to 5 per cent.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2013/2014 financial year based on a 5.7 per cent increase from 1 July 2013 is contained below:

Category	2012/2013 c/R	2013/2014 c/R
Residential	1.11	1.17
Commercial and Industrial	1.11	1.17
Government	1.11	1.17
Municipal	1.11	1.17
Clubs/Churches	1.11	1.17
Agricultural	0.2775	0.2928
Public service infrastructure	0.2775	0.2928

### 3.3.2 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 16 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2013.

Considering the Eskom increases, the consumer tariff had to be increased by 15.8 per cent to offset the additional bulk purchase cost from 1 July 2013. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

It should further be noted that NERSA has advised that a stepped tariff structure be implemented for residential consumers from 1 July 2012. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality. Most of the reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life expectancy. The upgrading of the municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines. Owing to the high increases in Eskom bulk tariffs, it is clearly not possible to fund these necessary upgrades through increase in the municipal electricity tariff-as the resultant tariff increases would be unaffordable for the consumers. As part of the 2013/2014 medium term upgrading programme, funding of R1 038 000 from the Equitable Share Grant has been allocated to electricity infrastructure.

### 3.3.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is subsidized with an allocation from the equitable share grant of R2 626 550. Without this subsidy, the solid waste removal service will operate at a deficit. The main contributors to the high operational cost are cost of remuneration, bin liners, repairs and maintenance on vehicles, increases in fuel and solid waste contracts.

The municipality have implemented and monitor a recycling program in the community, to ensure that this service can be rendered in a sustainable manner over the medium to long term.

The waste removal tariffs are increased by 10 percent.

### 3.4 Operating Expenditure Framework

The Municipality's expenditure framework for the 2013/2014 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash backed reserves to fund any deficit;
- Funding of the budget over the medium term as informed by Section 18 and 19 of the MFMA;
- The Capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2013/2014 budget and MTREF (Classified per main type of operating expenditure):

#### 3.4.1 Summary of operating expenditure by standard classification item

Description	Current Year 2012/2013			Medium Term Revenue and Expenditure Framework		
	Original Budget (R)	Adjusted Budget (R)	Full Year Forecast (R)	Budget Year 2013/2014 (R)	Budget Year 2014/2015 (R)	Budget Year 2015/2016 (R)
<b>Expenditure by Type</b>						
Employee related costs	58 777 340	56 878 040	56 878 040	63 114 640	68 920 290	74 437 180
Remuneration of councillors	12 774 190	12 768 870	12 768 870	13 615 480	14 521 340	15 490 620
Depreciation & asset impairment	8 804 370	8 101 150	8 101 150	8 546 700	8 982 580	9 422 730
Finance charges	816 620	711 940	711 940	698 090	656 900	689 090
Bulk purchases	33 922 010	35 709 650	35 709 650	41 373 070	47 992 760	55 671 600
Contracted services	18 162 310	19 385 480	19 385 480	19 072 550	20 913 080	23 322 960
Transfers and grants	2 718 320	2 718 320	2 718 320	3 110 050	3 318 540	3 553 670
Other expenditure	58 877 740	64 994 492	6 499 442	57 333 350	59 579 890	63 060 220
Loss on disposal of PPE						
<b>Total Expenditure</b>	<b>194 852 900</b>	<b>201 267 942</b>	<b>201 267 942</b>	<b>206 863 930</b>	<b>224 885 380</b>	<b>245 648 070</b>

- The budget allocation for employee related costs for the 2013/2014 financial year totals R63 114 640 which equals 30,51 per cent of the total operating expenditure. Provision has been made for a 7% increase in salaries for 2013/2014 and the two outer years of the MTREF. Provision has been made for the following positions:

Position	Total cost to Council
Deputy Municipal Manager	R 991 490
Secretary: Deputy Mayor	R 146 620
Secretary: Speaker	R 146 620
Secretary: Chief Whip	R 146 620
<b>Total</b>	<b>R1 431 350</b>

- The cost associated with the remuneration of councilors is determined by the Minister of Co-Operative Governance and Traditional Affairs, in accordance with the remuneration of Public Bearers Act (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget. An increase of 7% is budgeted for the increase for Councillor allowances.
- Provision for depreciation and asset impairments has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R8 546 700 for the 2013/2014 financial and equates to 4.13 per cent of the total operating expenditure.
- Finance charges consist primarily of the repayment of interest on long term borrowing (cost of capital). Finance charges make up 0.34 per cent (R698 090) of operating expenditure excluding annual redemption for 2013/2014 and decreases to R689 090 by 2015/2016.
- Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditure include distribution losses.
- Contracted services has been identified as a cost saving area for the municipality. As part of the compilation of the 2013/2014 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2013/2014 financial year, this group of expenditure totals R19 072 550 and has escalated by 9,22 per cent. For the two outer years growth has been limited to 9,65 and 11,52 per cent.
- Provision is made for the following contracted services:

	2012/2013	2013/2014	2014/2015	2015/2016
Animal pound facility	600 000	620 000	620 000	620 000
Archive storage	34 500	36 400	38 260	40 130
Bank collections	176 880	210 800	221 320	232 160
Cleaning	756 090	734 960	768 500	806 160
Computer maintenance	930 340	972 410	1 022 000	1 072 080
Grass cutting	1 358 710	1 425 400	1 495 420	1 568 700
Insurance	608 190	638 920	671 530	704 440
Internal audit	936 000	936 000	936 000	936 000
Mailing of monthly statements	180 420	194 780	205 300	215 360
Medical waste	8 540	0	0	0
Pauper burials	5 000	5 280	5 550	5 820
Pre paid electricity vending management system	170 400	179 770	189 480	198 760
Pre paid electricity vending: commission	196 290	207 090	218 270	228 970
Post employment report	25 500	26 900	28 270	29 660
Radio repeater site	6 000	6 330	6 650	6 980
Refuse removal contracts	4 863 910	5 004 530	5 455 800	5 723 130
Rental of land	291 610	78 130	82 110	86 130
Rental of office equipment	489 760	516 680	543 020	569 620
Re-valuation of properties	0	0	800 000	2 300 000
Security	4 745 060	4 881 720	5 125 880	5 377 630
Town planning	354 400	52 800	55 650	58 380
Traffic violation system	1 967 160	1 688 630	1 745 980	1 831 530
Valuation costs	336 000	300 000	300 000	314 700
Weigh bridge	344 720	355 020	378 090	396 620
<b>TOTAL</b>	<b>19 385 480</b>	<b>19 072 550</b>	<b>20 913 080</b>	<b>23 322 960</b>

- Security expenditure is made up as follows:

Office bearers	2 650 120
Mayor	516 210
Deputy Mayor	404 080
Speaker	458 600
Chief Whip	354 750
Councilors (x3)	916 480
Council buildings	1 673 280
Sportsfield	558 320
	4 881 720

- Provision is made for the following transfers and grants:

	2012/2013 (R)	2013/2014 (R)	2014/2015 (R)	2015/2016 (R)
Zululand Historical Museum	101 000	110 000	119 000	128 000
SPCA	110 000	115 000	120 000	125 000
Social Welfare	70 000	120 000	125 000	130 000
Tourism	180 000	185 000	190 000	195 000
Free Refuse	1 207 000	1 363 000	1 458 000	1 561 000
Free Electricity	1 050 000	1 217 000	1 306 000	1 415 000
<b>TOTAL</b>	<b>2 718 000</b>	<b>3 110 000</b>	<b>3 318 000</b>	<b>3 554 000</b>

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

- Other expenditure comprises of the following:

	2012/2013 (R)	2013/2014 (R)	2014/2015 (R)	2015/2016 (R)
Provision for bad debts	1 292 460	1 363 550	1 433 100	1 503 320
Repairs and maintenance	10 298 880	6 250 300	6 545 410	7 598 000
Post retirement medical benefits & long service awards	1 115 370	1 176 720	1 236 730	1 297 330
General expenses	50 974 142	47 156 890	48 908 080	51 133 630
Contribution to staff leave	1 313 640	1 385 890	1 456 570	1 527 940
<b>TOTAL</b>	<b>64 994 492</b>	<b>57 333 350</b>	<b>59 579 890</b>	<b>63 060 220</b>

Provision is made for the following repairs and maintenance:

	2012/2013 (R)	2013/2014 (R)	2014/2015 (R)	2015/2016 (R)
Air-conditioning	20 000	21 100	22 180	23 270
Buildings	404 800	433 520	448 640	470 640
Electricity mains	865 840	913 460	960 640	1 007 090
Electricity sub stations	27 520	29 030	30 510	32 000
Fire extinguishers	20 000	21 100	22 180	23 270
Fuel and oil	1 828 950	1 929 530	2 027 950	2 127 310
Furniture, plant and equipment	130 980	138 180	145 240	152 360
Equitable share grants expenditure	4 795 000	450 000	450 000	1 204 640
Grounds	82 720	118 920	124 980	131 110
Information signs	4 000	4 220	4 440	4 660
Office equipment	51 670	54 510	57 290	60 090
Roads & Streets	659 120	965 370	730 830	766 640
Small plant and equipment	120 500	129 820	136 440	143 130
Speed testing equipment	20 920	15 000	15 000	15 000

Street lights	228 330	240 890	253 180	265 590
Traffic signs	29 090	30 690	32 260	33 840
Transport	959 230	1 011 980	1 063 600	115 710
Other	50 210	12 980	20 640	21 650
<b>TOTAL</b>	<b>10 298 880</b>	<b>6 250 300</b>	<b>6 545 410</b>	<b>7 598 000</b>

Provision is made for the following general expenses:

	2012/2013 (R)	2013/2014 (R)	2014/2015 (R)	2015/2016 (R)
Advertising	487 160	513 950	540 160	566 630
Audit fees (Auditor General)	1 465 750	1 597 930	1 742 460	1 827 840
Bank charges	402 700	424 850	446 520	468 400
Bargaining Council levies	20 840	21 990	23 110	24 240
Bursaries	70 000	70 000	70 000	70 000
Chemicals	31 240	32 950	34 630	36 330
Civic expenses	187 020	197 310	207 370	217 530
Cleaning material	80 730	83 410	87 650	91 940
Conference and delegations	30 530	32 210	33 850	35 510
Community library services and expenditure	216 000	227 000	238 000	0
Council's communications	190 000	200 450	211 270	221 620
Entertainment expenses	121 240	135 810	142 750	149 710
Eskom: Other accounts	476 700	552 980	641 460	744 090
Expanded public works programme	1 000 000	0	0	0
Finance management grant expenditure	1 500 000	1 750 000	1 750 000	1 750 000
Equitable share grant expenditure	19 300 753	19 158 450	20 094 370	20 715 410
Greenest Municipality grant Expenditure	116 620	0	0	0
Human settlements grant expenditure	448 204	0	0	0
Information signs: tourism R66	6 440	0	0	0
Integrated rural electricity programme	15 000 000	1 200 000	1 200 000	1 200 000
Legal expenses	995 000	995 000	1 000 000	1 000 000
Library books	20 000	21 110	22 190	23 280
Library Cyber cadet grant	135 175	0	0	0
Licence fees	47 380	49 990	52 540	55 110
Loose tools	25 440	26 840	28 220	29 610
Medical supplies	50 810	0	0	0
Membership fees (SALGA)	470 220	613 840	667 530	719 420
Municipal systems improvement grant expenditure	800 000	900 000	950 000	950 000
Periodicals and publications	22 700	23 950	25 170	26 400
Postage	85 200	89 890	94 470	99 100
Printing and stationery	451 500	470 200	494 170	518 400
Project Management Unit Costs (MIG projects)	980 000	1 200 000	1 200 000	1 300 000
Property Rates	0	0	0	575 000
Publicity	53 020	55 930	58 790	61 670
Refuse bin liners	602 590	635 730	668 150	700 890
Removal of slums	50 000	50 000	0	0
Rental of buildings	29 040	29 040	30 610	32 110
Road marking	82 680	87 230	91 680	96 170
SABS:3% charge	44 650	47 110	49 510	51 940
Staff relocation costs	20 000	20 000	20 000	20 000
Subsistence & travel: Staff	711 650	750 790	791 330	830 110
Subsistence & travel: Councillors	237 010	250 040	263 350	276 260
Telephones costs	952 300	1 004 680	1 055 920	1 107 660
Training	503 250	503 440	508 870	464 300
Ward committees	929 000	780 000	940 000	1 560 000
Water & sanitation costs	1 080 350	1 085 170	1 140 510	1 196 390

Weed eradication	331 530	349 760	367 600	385 610
Others	11 720	117 860	123 870	129 950
<b>TOTAL</b>	<b>50 974 142</b>	<b>47 156 890</b>	<b>48 908 080</b>	<b>51 133 630</b>

### 3.5 Capital Budget

The following guidelines were applied in order to value and prioritize the capital projects:

- In line with the Council's revised IDP
- Carry over of previously approved projects
- Existing Council's resolutions, statutory requirements and services related benefits.
- Provision was made for the basic capital projects to be funded from the equitable share if actual cash is available.
- The basic capital budget is growth 52.58 per cent.

The components of the capital budget are follows:

Description	Amount (R)
Capital for departments	11 059 000
Municipal Infrastructure Grant Projects	27 315 000
Small business development: Eshowe taxi rank	3 500 000
<b>TOTAL</b>	<b>41 874 000</b>

The Capital Budget is funded as follows:

Description	Amount (R)
Equitable share grant	11 059 000
Municipal Infrastructure Grant	27 315 000
Own funds	3 500 000
<b>TOTAL</b>	<b>41 874 000</b>

The capital for departments to be funded from the Council's Equitable Share Grant are the following:

Description	Amount (R)
Furniture & Equipment	1 148 440
Vehicles	3 690 000
Cemeteries	400 000
Swimming Pools	150 000
Buildings	915 000
Roads, Sidewalks & Stormwater	3 612 560
Electricity	1 143 000
<b>TOTAL</b>	<b>11 059 000</b>

The Municipal Infrastructure Grant Projects are the following:



Description		Amount (R)
<u>Community Halls</u>		
Sqwanjana community hall	Ward 13	1 000 000
<u>Sports fields</u>		
Kwayabu sportsfield	Ward 15	1 500 000
Kwabulawayo Sportsfield	Ward 24	500 000
<u>Roads/Causeways</u>		
Esifubeni Road	Ward 10	2 500 000
Kangela Road Eshowe	Ward 11	3 500 000
KDS/Sunnydale Link Road	Ward 12	1 595 100
Rehabilitation of Osborn Road	Ward 11	2 654 990
Naickerville/Sandlwana High School intersection (D134)	Ward 18	1 151 400
Nogobhoza Road	Ward 15	2 502 120
Ntenjane Causeway and Road	Ward 13	2 000 000
Gciza Road	Ward 17	1 584 120
KDS bus route road rehabilitation	Ward 12	1 500 000
Retention		1 100 000
<u>Other</u>		
New Testing Station	Ward 11	700 000
Rehabilitation of Eshowe Landfill Site	Ward 11	3 527 270
<b>Total</b>		<b>27 315 000</b>

The capital budget will be spent on the following categories of assets:

Description	Amount (R)	%
Infrastructure : Roads	23 700 290	57
Electricity	1 143 000	3
Other	7 027 270	17
Investment properties	0	0
Community assets	5 115 000	12
Other assets	4 888 440	12
<b>Total capital expenditure</b>	<b>41 874 000</b>	<b>100%</b>

### 3.6 Financial position of Council

The accumulated surplus of the Council was R1 491 173 as at 30 June 2012. Unfortunately this amount is not cash backed. The surplus for the 2012/2013 and next three years is projected as follows:

2012/2013-	R 56 700
2013/2014-	R 57 350
2014/2015-	R 27 650
2015/2016-	R 52 250

### 3.7 Alignment with National Priorities

3.7.1 In preparing the draft budget, government's 12 outcomes were taken into account.

These outcomes are:

- Improve the quality of basic education
- Improve health and life expectancy
- All people in South Africa protected and feel safe
- Decent employment through inclusive economic growth
- A skilled and capable workforce to support inclusive growth

- An efficient, competitive and responsive economic infrastructure network
- Vibrant, equitable and sustainable rural communities and food security
- Sustainable human settlements and improved quality of household life
- A response and, accountable, effective and efficient local government system.
- Protection and enhancement of environmental assets and natural resources
- A better South Africa, a better and safer Africa and world
- A development orientated public service and inclusive citizenship

These objectives are directly relevant to the municipality. The challenge for the municipality is do more within its existing resource envelope.

### 3.8 The Municipality's role in employment creation

" Employment is central to human dignity, sustainable economic development and social cohesion. Creating jobs and increasing employment is South Africa's most critical objective.

While there are many policy options to consider, emphasis should be placed on removing the structural impediments to faster job growth. This means aligning real wage growth with productivity, speeding up regulatory reform to ensure that young and less skilled workers can access the job market, and ensuring that further education and training programmes provide the real world skills needed by public and private sector employers. Public employment to support service delivery, and public works projects that draw in lower skilled workers, will continue to play an important role. The issue of youth unemployment is imperative and needs to be confronted directly."

Chapter 12 of the Local Government Budget and Expenditure review 2008 analysed the extent to which municipalities were supporting job creation. It is noted that:

" Many activities performed by municipalities lend themselves to providing job opportunities for low and unskilled labour. As indicated, municipalities face critical choices in this regard, whether to adopt capital intensive approaches or labour intensive approaches... Anecdotal information suggests that generally municipalities are inclined to adopt capital intensive approaches. The mechanization of grass cutting, street sweeping, ditch digging, road maintenance and a host of other activities points in this direction. Of course there is balance between job creation, efficiency and cost. This needs to be managed and in each instance the appropriate technology for the task needs to be decided upon, with a bias towards labour intensive approaches. The challenge is to mainstream the labour intensive approaches that are being used in the EPWP projects into the normal way municipalities go about their business of delivering services."

The Council will explore how it can contribute to job creation when revising the IDP and preparing the 2013/2014 budget. However, the Council will not just employ more people without any reference to the level of staffing required to deliver effective services, and what is financially sustainable over the medium term. The Council will focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate
- Ensuring that service providers use labour intensive approaches.
- Supporting labour intensive LED projects;
- Participating fully in the Extended Public Works Programmes; and
- Implementing interns programmes to provide young people with on the job training.

With reference to employment creation, provision is made for the following:

- Contractors that are appointed for Municipal Infrastructure Grant (MIG) projects, are encouraged to make use of local labour;
- R2 485 840 from the equitable share is allocated for LED projects;
- R3 708 320 from the equitable share is allocated for work creation projects;
- The Municipality has received a R1 000 000 grant to participate in the Extended Public Works Programme, and
- The Council has appointed five financial interns.

### 3.9 Key amendments to budget –related policies

#### 3.9.1 Rates Policy

##### 3.9.1.1 Pensioners, physically and mentally disabled persons:

- For pensioners, physically and mentally disabled persons, a rebate will be granted to owners of rate-able property as follows:

##### 40 per cent rebate

- (i) A single person receiving a total income of R5 390 per month or less
- (ii) A married couple receiving a joint monthly income of R6 720 per month or less

##### 20 per cent rebate

- (i) A single person receiving a total income of R5 391 per month or more
- (II) A married couple receiving a joint monthly income of R6 721 per month or more

#### 4. Annual Draft Budget Tables

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KZN284 uMlalazi - Table A1 Budget Summary

Description R thousands	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Financial Performance</b>										
Property rates	32 047	41 545	29 413	30 554	31 674	31 674	31 674	33 844	35 551	37 507
Service charges	38 025	44 019	52 027	57 436	58 056	58 056	58 056	65 695	73 459	83 275
Investment revenue	393	635	1 139	650	1 100	1 100	1 100	1 100	1 100	1 100
Transfers recognised - operational	46 110	57 516	69 774	92 955	99 464	99 464	99 464	94 900	102 899	111 389
Other own revenue	10 792	11 720	12 381	13 302	11 032	11 032	11 032	11 382	11 905	12 429
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>127 368</b>	<b>155 434</b>	<b>164 734</b>	<b>194 897</b>	<b>201 326</b>	<b>201 326</b>	<b>201 326</b>	<b>206 921</b>	<b>224 913</b>	<b>245 700</b>
Employee costs	44 285	49 867	51 875	58 777	56 878	56 878	56 878	63 115	68 920	74 437
Remuneration of councillors	10 565	10 954	12 059	12 774	12 769	12 769	12 769	13 615	14 521	15 491
Depreciation & asset impairment	7 265	7 037	7 548	8 804	8 101	8 101	8 101	8 547	8 983	9 423
Finance charges	149	643	770	817	712	712	712	698	657	689
Materials and bulk purchases	17 812	25 780	31 537	33 922	35 710	35 710	35 710	41 373	47 993	55 672
Transfers and grants	335	2 074	2 572	2 718	2 718	2 718	2 718	3 110	3 319	3 554
Other expenditure	51 670	63 727	56 881	77 041	84 381	84 381	84 381	76 406	80 493	86 383
<b>Total Expenditure</b>	<b>132 081</b>	<b>160 081</b>	<b>163 243</b>	<b>194 853</b>	<b>201 269</b>	<b>201 269</b>	<b>201 269</b>	<b>206 864</b>	<b>224 885</b>	<b>245 648</b>
<b>Surplus/(Deficit)</b>	<b>(4 713)</b>	<b>(4 647)</b>	<b>1 491</b>	<b>44</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>28</b>	<b>52</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(4 713)</b>	<b>(4 647)</b>	<b>1 491</b>	<b>44</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>28</b>	<b>52</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(4 713)</b>	<b>(4 647)</b>	<b>1 491</b>	<b>44</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>28</b>	<b>52</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>46 546</b>	<b>23 409</b>	<b>25 458</b>	<b>51 414</b>	<b>49 709</b>	<b>49 709</b>	<b>49 709</b>	<b>41 874</b>	<b>35 510</b>	<b>47 509</b>
Transfers recognised - capital	41 056	23 409	24 094	47 594	40 611	40 611	40 611	38 374	35 510	47 509
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	5 490	-	1 364	-	-	-	-	-	-	-
Internally generated funds	-	-	-	3 820	9 098	9 098	9 098	3 500	-	-
<b>Total sources of capital funds</b>	<b>46 546</b>	<b>23 409</b>	<b>25 458</b>	<b>51 414</b>	<b>49 709</b>	<b>49 709</b>	<b>49 709</b>	<b>41 874</b>	<b>35 510</b>	<b>47 509</b>
<b>Financial position</b>										
Total current assets	41 562	48 492	61 303	39 263	45 976	45 976	45 976	44 900	44 440	43 495
Total non current assets	249 136	416 922	449 577	417 096	454 332	454 332	454 332	458 625	495 531	518 793
Total current liabilities	32 563	33 916	33 084	22 088	19 865	19 865	19 865	19 622	20 212	20 837
Total non current liabilities	18 421	24 523	24 763	26 153	23 306	23 306	23 306	21 600	24 318	24 893
Community wealth/Equity	239 714	432 043	453 033	408 118	457 137	457 137	457 137	462 303	495 441	516 558
<b>Cash flows</b>										
Net cash from (used) operating	48 934	19 485	25 761	50 874	35 170	35 170	35 170	32 331	29 698	34 102
Net cash from (used) investing	(46 295)	(21 312)	(22 148)	(51 217)	(39 608)	(39 608)	(39 608)	(30 871)	(29 987)	(35 363)
Net cash from (used) financing	3 178	2 449	(223)	(183)	(113)	(113)	(113)	(183)	(153)	(169)
<b>Cash/cash equivalents at the year end</b>	<b>3 510</b>	<b>4 132</b>	<b>7 522</b>	<b>1 480</b>	<b>2 971</b>	<b>2 971</b>	<b>2 971</b>	<b>4 248</b>	<b>3 806</b>	<b>2 376</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	18 951	21 158	37 548	14 682	19 146	19 146	19 146	19 189	19 743	19 535
Application of cash and investments	22 528	24 498	30 227	12 387	13 316	13 316	13 316	12 941	15 037	18 443
<b>Balance - surplus (shortfall)</b>	<b>(3 577)</b>	<b>(3 340)</b>	<b>7 321</b>	<b>2 295</b>	<b>5 830</b>	<b>5 830</b>	<b>5 830</b>	<b>6 248</b>	<b>4 706</b>	<b>1 092</b>
<b>Asset management</b>										
Asset register summary (WDV)	248 177	415 464	448 147	415 625	452 861	452 861	457 151	457 151	494 054	517 385
Depreciation & asset impairment	7 265	7 037	7 548	8 804	8 101	8 101	8 547	8 547	8 983	9 423
Renewal of Existing Assets	1 863	1 357	1 907	10 314	17 204	17 204	17 204	15 416	4 025	6 355
Repairs and Maintenance	5 097	5 505	10 013	8 548	10 299	10 299	6 250	6 250	6 545	7 598
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	134	134	134	149	149	157	165
Revenue cost of free services provided	12 836	12 836	-	13 572	13 572	13 572	12 694	12 694	13 394	14 127
<b>Households below minimum service level</b>										
Energy:	0	1	-	1	1	1	1	1	1	1
Refuse:	-	-	-	-	-	-	-	-	-	-

KZN284 uMlalazi - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		62 460	82 417	79 050	87 160	90 576	90 576	94 277	103 105	114 518
Executive and council		60 254	80 147	76 776	84 720	87 828	87 828	91 210	99 971	111 316
Budget and treasury office		2 072	2 193	2 059	2 191	2 359	2 359	2 656	2 702	2 749
Corporate services		134	77	215	249	389	389	411	431	453
<i>Community and public safety</i>		17 192	15 954	16 564	14 698	15 110	15 110	13 708	14 232	17 244
Community and social services		1 282	1 478	2 969	2 622	3 558	3 558	3 827	4 002	4 848
Sport and recreation		1 964	2 372	4 067	2 586	2 534	2 534	2 864	2 951	3 836
Public safety		4 312	4 230	3 168	5 970	4 678	4 678	4 903	5 038	5 583
Housing		4 251	1 252	136	1 154	1 575	1 575	134	140	147
Health		5 383	6 622	6 224	2 365	2 765	2 765	1 980	2 101	2 830
<i>Economic and environmental services</i>		6 760	8 331	10 783	12 435	14 290	14 290	9 656	10 347	11 141
Planning and development		658	808	1 370	2 269	2 386	2 386	1 505	1 520	1 636
Road transport		6 102	7 523	9 413	10 166	11 905	11 905	8 151	8 827	9 505
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		40 955	48 732	58 337	80 605	81 349	81 349	89 280	97 229	102 797
Electricity		33 782	39 422	48 582	70 021	70 877	70 877	76 111	83 355	88 113
Waste water management		2	2	3	1	1	1	1	1	1
Waste management		7 171	9 308	9 752	10 583	10 471	10 471	13 168	13 873	14 683
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	127 368	155 434	164 734	194 897	201 326	201 326	206 921	224 913	245 700
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		49 960	61 509	50 196	59 182	59 115	59 115	64 440	69 390	78 253
Executive and council		40 042	50 472	38 445	43 752	44 304	44 304	47 621	51 367	59 046
Budget and treasury office		6 304	7 101	7 565	10 652	10 175	10 175	11 291	12 057	12 789
Corporate services		3 614	3 936	4 186	4 779	4 636	4 636	5 528	5 965	6 419
<i>Community and public safety</i>		31 982	34 450	38 025	39 103	40 580	40 580	38 848	41 737	46 945
Community and social services		3 905	4 354	5 194	5 188	6 421	6 421	5 325	5 694	6 727
Sport and recreation		6 498	8 221	9 168	9 358	9 336	9 336	10 292	10 943	12 399
Public safety		10 714	13 027	16 321	17 405	18 586	18 586	19 026	20 344	22 110
Housing		4 241	1 200	208	1 131	1 578	1 578	135	142	149
Health		6 624	7 649	7 134	6 020	4 659	4 659	4 070	4 614	5 560
<i>Economic and environmental services</i>		10 261	12 583	15 692	18 374	20 261	20 261	15 922	17 297	18 771
Planning and development		1 795	2 021	2 549	3 898	4 015	4 015	3 320	3 451	3 690
Road transport		8 466	10 563	13 143	14 476	16 246	16 246	12 603	13 846	15 081
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		39 584	51 199	58 875	77 706	80 820	80 820	87 129	95 903	101 082
Electricity		29 098	39 300	45 912	63 889	65 953	65 953	71 183	78 730	82 791
Waste water management		383	334	351	444	692	692	720	770	824
Waste management		10 102	11 565	12 612	13 373	14 175	14 175	15 227	16 403	17 466
<i>Other</i>	4	293	340	455	488	493	493	524	559	596
<b>Total Expenditure - Standard</b>	3	132 080	160 082	163 243	194 853	201 269	201 269	206 864	224 885	245 648
<b>Surplus/(Deficit) for the year</b>		(4 713)	(4 647)	1 491	44	57	57	57	28	52

KZN284 uMlalazi - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>										
<b>Revenue by Vote</b>	<b>1</b>									
Vote 1 - EXECUTIVE AND COUNCIL		60 254	80 147	76 775	84 720	87 827	87 827	91 210	99 971	111 316
Vote 2 - BUDGET AND TREASURY OFFICE		2 072	2 193	2 059	2 191	2 359	2 359	2 656	2 702	2 749
Vote 3 - CORPORATE SERVICES		1 161	1 183	1 482	1 053	1 992	1 992	970	996	1 677
Vote 4 - PLANNING AND DEVELOPMENT		658	808	1 370	2 269	2 386	2 386	1 505	1 520	1 636
Vote 5 - HEALTH		5 383	6 622	6 224	2 365	2 765	2 765	1 980	2 101	2 830
Vote 6 - COMMUNITY AND SOCIAL SERVICES		255	372	1 702	1 819	1 955	1 955	3 268	3 438	3 623
Vote 7 - HOUSING		4 251	1 252	136	1 154	1 575	1 575	134	140	147
Vote 8 - PUBLIC SAFETY		4 312	4 230	3 168	5 970	4 678	4 678	4 903	5 038	5 583
Vote 9 - SPORTS AND RECREATION		1 964	2 372	4 066	2 586	2 534	2 534	2 864	2 951	3 836
Vote 10 - WASTE MANAGEMENT		7 173	9 310	9 755	10 584	10 472	10 472	13 169	13 874	14 684
Vote 11 - ROAD TRANSPORT		6 102	7 523	9 413	10 166	11 905	11 905	8 151	8 827	9 505
Vote 12 - ELECTRICITY		33 782	39 422	48 582	70 020	70 877	70 877	76 111	83 355	88 113
Vote 13 - AIR TRANSPORT		-	-	-	-	-	-	-	-	-
Vote 14 - WORKSHOP		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>127 368</b>	<b>155 434</b>	<b>164 732</b>	<b>194 897</b>	<b>201 325</b>	<b>201 325</b>	<b>206 921</b>	<b>224 913</b>	<b>245 700</b>
<b>Expenditure by Vote to be appropriated</b>	<b>1</b>									
Vote 1 - EXECUTIVE AND COUNCIL		40 042	50 472	38 445	43 752	44 303	44 303	47 621	51 367	59 046
Vote 2 - BUDGET AND TREASURY OFFICE		6 304	7 101	7 565	10 652	10 175	10 175	11 291	12 057	12 789
Vote 3 - CORPORATE SERVICES		5 551	6 111	6 815	7 053	7 836	7 836	7 584	8 139	9 360
Vote 4 - PLANNING AND DEVELOPMENT		1 795	2 021	2 549	3 898	4 015	4 015	3 320	3 451	3 690
Vote 5 - HEALTH		6 624	7 649	7 134	6 020	4 659	4 659	4 070	4 614	5 560
Vote 6 - COMMUNITY AND SOCIAL SERVICES		1 968	2 178	2 565	2 914	3 221	3 221	3 269	3 520	3 786
Vote 7 - HOUSING		4 241	1 200	207	1 131	1 578	1 578	135	142	149
Vote 8 - PUBLIC SAFETY		10 714	13 027	16 321	17 405	18 586	18 586	19 026	20 344	22 110
Vote 9 - SPORTS AND RECREATION		6 498	8 221	9 167	9 358	9 336	9 336	10 292	10 943	12 399
Vote 10 - WASTE MANAGEMENT		10 486	11 899	12 963	13 817	14 867	14 867	15 946	17 173	18 290
Vote 11 - ROAD TRANSPORT		8 466	10 563	13 143	14 476	16 246	16 246	12 603	13 846	15 081
Vote 12 - ELECTRICITY		29 098	39 300	45 912	63 889	65 953	65 953	71 183	78 730	82 791
Vote 13 - AIR TRANSPORT		9	9	9	12	12	12	12	13	14
Vote 14 - WORKSHOP		284	332	446	477	481	481	512	546	583
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>132 080</b>	<b>160 082</b>	<b>163 241</b>	<b>194 853</b>	<b>201 268</b>	<b>201 268</b>	<b>206 864</b>	<b>224 885</b>	<b>245 648</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>(4 713)</b>	<b>(4 647)</b>	<b>1 491</b>	<b>44</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>28</b>	<b>52</b>

KZN284 uMlalazi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue By Source</b>											
Property rates	2	31 005	40 566	28 733	29 921	30 892	30 892	30 892	33 019	34 683	36 598
Property rates - penalties & collection charges		1 042	979	680	633	782	782	782	825	867	910
Service charges - electricity revenue	2	32 722	37 885	44 730	49 366	49 973	49 973	49 973	56 636	63 767	72 904
Service charges - refuse revenue	2	5 303	6 134	7 297	8 070	8 083	8 083	8 083	9 058	9 692	10 371
Rental of facilities and equipment		1 447	1 358	1 516	1 235	1 208	1 208	1 208	1 267	1 333	1 398
Interest earned - external investments		393	635	1 139	650	1 100	1 100	1 100	1 100	1 100	1 100
Fines		3 709	3 375	2 623	4 906	3 433	3 433	3 433	3 604	3 788	3 974
Licences and permits		2 320	3 140	3 318	3 468	3 366	3 366	3 366	3 551	3 732	3 915
Transfers recognised - operational		46 110	57 516	69 774	92 955	99 464	99 464	99 464	94 900	102 899	111 389
Other revenue	2	3 263	3 175	2 463	3 493	2 825	2 825	2 825	2 760	2 851	2 942
Gains on disposal of PPE		53	671	2 461	200	200	200	200	200	200	200
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>127 368</b>	<b>155 434</b>	<b>164 734</b>	<b>194 897</b>	<b>201 326</b>	<b>201 326</b>	<b>201 326</b>	<b>206 921</b>	<b>224 913</b>	<b>245 700</b>
<b>Expenditure By Type</b>											
Employee related costs	2	44 285	49 867	51 875	58 777	56 878	56 878	56 878	63 115	68 920	74 437
Remuneration of councillors		10 565	10 954	12 059	12 774	12 769	12 769	12 769	13 615	14 521	15 491
Debt impairment	3		1 226	1 846	1 292	1 292	1 292	1 292	1 364	1 433	1 503
Depreciation & asset impairment	2	7 265	7 037	7 548	8 804	8 101	8 101	8 101	8 547	8 983	9 423
Finance charges		149	643	770	817	712	712	712	698	657	689
Bulk purchases	2	17 812	25 780	31 537	33 922	35 710	35 710	35 710	41 373	47 993	55 672
Contracted services		11 175	12 891	17 921	18 162	19 385	19 385	19 385	19 073	20 913	23 323
Transfers and grants		335	2 074	2 572	2 718	2 718	2 718	2 718	3 110	3 319	3 554
Other expenditure	4, 5	40 487	49 610	37 114	57 586	63 704	63 704	63 704	55 970	58 147	61 557
Loss on disposal of PPE		8	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>132 081</b>	<b>160 081</b>	<b>163 243</b>	<b>194 853</b>	<b>201 269</b>	<b>201 269</b>	<b>201 269</b>	<b>206 864</b>	<b>224 885</b>	<b>245 648</b>
<b>Surplus/(Deficit)</b>		<b>(4 713)</b>	<b>(4 647)</b>	<b>1 491</b>	<b>44</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>28</b>	<b>52</b>
Transfers recognised - capital											
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(4 713)</b>	<b>(4 647)</b>	<b>1 491</b>	<b>44</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>28</b>	<b>52</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>(4 713)</b>	<b>(4 647)</b>	<b>1 491</b>	<b>44</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>28</b>	<b>52</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(4 713)</b>	<b>(4 647)</b>	<b>1 491</b>	<b>44</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>28</b>	<b>52</b>
<b>Surplus/(Deficit) for the year</b>		<b>(4 713)</b>	<b>(4 647)</b>	<b>1 491</b>	<b>44</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>28</b>	<b>52</b>



TABLE A4 BUDGETED FINANCIAL PERFORMANCE (REVENUE)	
2013/2014 MTREF	
DESCRIPTION	BUDGET YEAR 2013/2014 R'000
<b>REVENUE BY SOURCE</b>	
PROPERTY RATES	33019
SERVICE CHARGES : ELECTRICITY	56636
SERVICE CHARGES : REFUSE	9058
TRANSFERS RECOGNISED	94900
OTHER REVENUE	13308
<b>TOTAL REVENUE</b>	<b>206921</b>

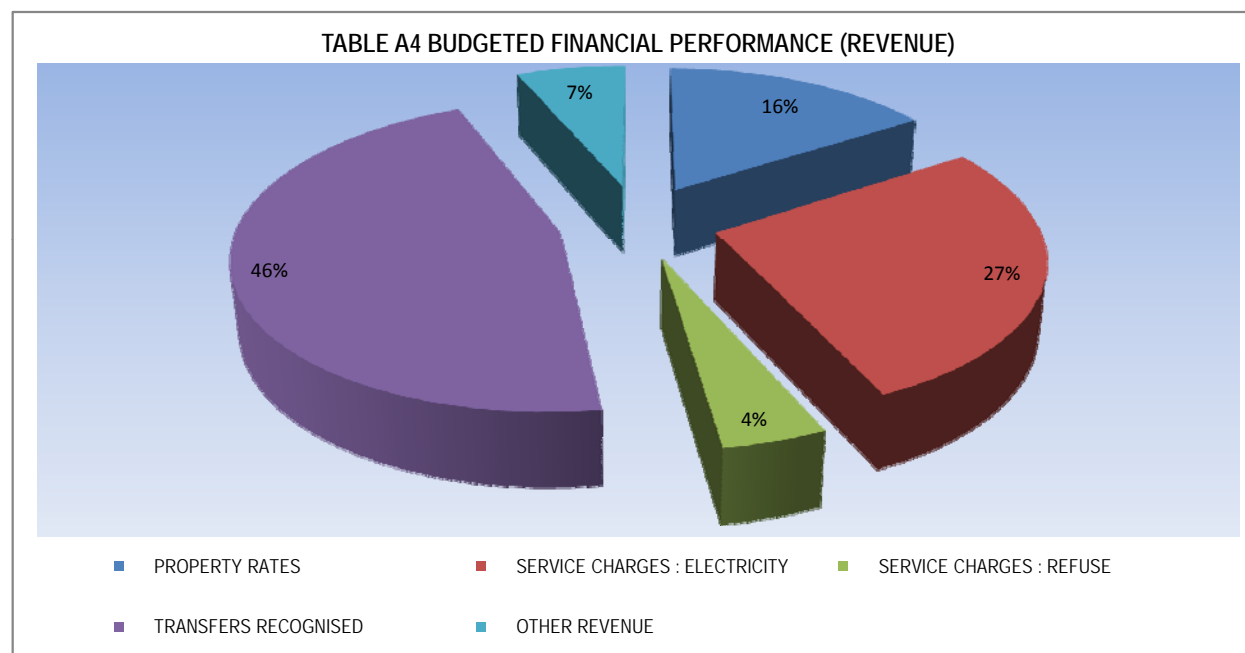
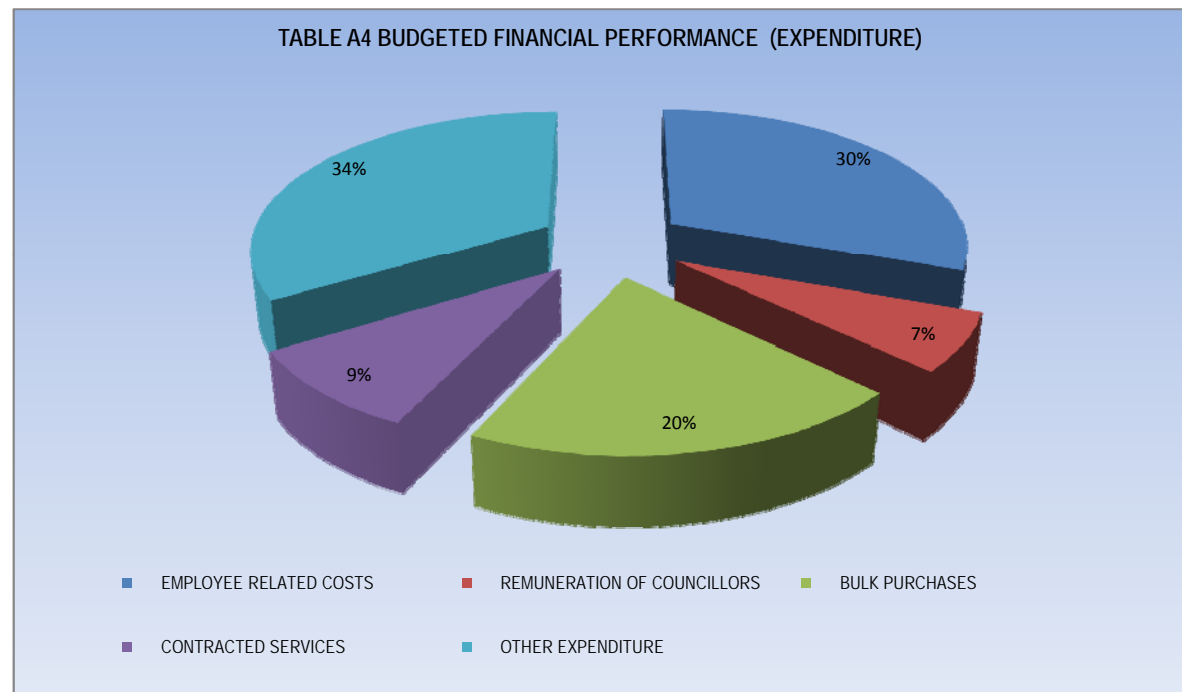


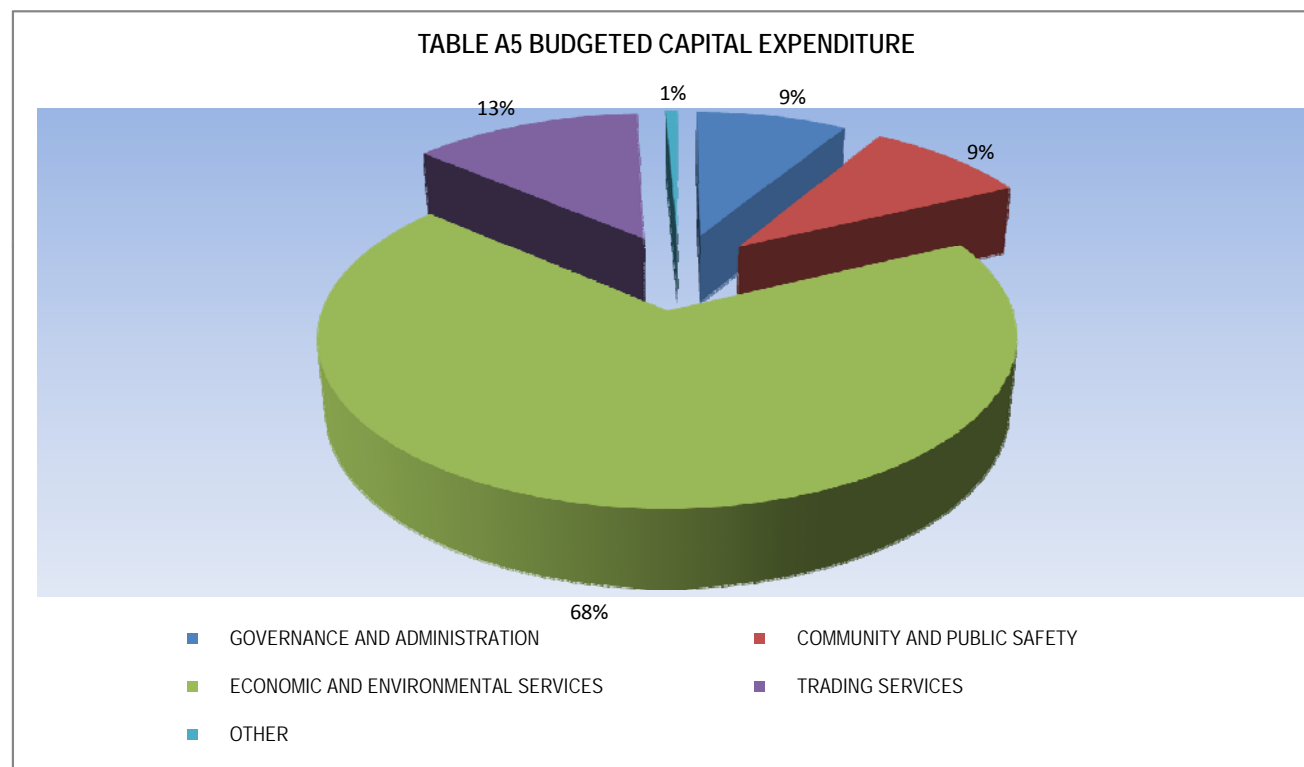
TABLE A4 BUDGETED FINANCIAL PERFORMANCE (EXPENDITURE)	
2013/2014 MTREF	
DESCRIPTION	BUDGET YEAR 2013/2014 R'000
EXPENDITURE BY TYPE	
EMPLOYEE RELATED COSTS	63115
REMUNERATION OF COUNCILLORS	13615
BULK PURCHASES	41373
CONTRACTED SERVICES	19073
OTHER EXPENDITURE	69688
TOTAL EXPENDITURE	206864



KZN284 uMlalazi - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE AND COUNCIL		278	2 072	837	324	823	823	823	1 005	37	45
Vote 2 - BUDGET AND TREASURY OFFICE		116	228	626	279	271	271	271	293	242	325
Vote 3 - CORPORATE SERVICES		308	1 087	805	5 060	5 464	5 464	5 464	2 330	1 070	14 025
Vote 4 - PLANNING AND DEVELOPMENT		52	28	58	–	10	10	10	80	–	–
Vote 5 - HEALTH		23	126	51	20	20	20	20	15	5	10
Vote 6 - COMMUNITY AND SOCIAL SERVICES		2 404	2 834	1 226	1 616	2 160	2 160	2 160	420	1 272	6 320
Vote 7 - HOUSING		–	–	–	–	–	–	–	–	–	–
Vote 8 - PUBLIC SAFETY		2 002	664	497	540	1 802	1 802	1 802	820	865	507
Vote 9 - SPORTS AND RECREATION		3 337	2 237	2 001	14 210	3 410	3 410	3 410	2 640	3 517	2 260
Vote 10 - WASTE MANAGEMENT		8 843	4 257	358	7 535	6 599	6 599	6 599	4 062	200	770
Vote 11 - ROAD TRANSPORT		26 781	8 289	18 423	20 991	28 309	28 309	28 309	28 510	26 010	21 020
Vote 12 - ELECTRICITY		2 374	1 548	547	800	795	795	795	1 438	2 293	2 227
Vote 13 - AIR TRANSPORT		30	37	29	–	–	–	–	–	–	–
Vote 14 - WORKSHOP		–	–	–	40	45	45	45	260	–	–
Capital multi-year expenditure sub-total	7	46 546	23 409	25 458	51 414	49 709	49 709	49 709	41 874	35 510	47 509
Total Capital Expenditure - Vote		46 546	23 409	25 458	51 414	49 709	49 709	49 709	41 874	35 510	47 509
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		702	3 388	2 268	5 663	6 558	6 558	6 558	3 628	1 349	14 395
Executive and council		278	2 072	837	324	823	823	823	1 005	37	45
Budget and treasury office		116	228	626	279	271	271	271	293	242	325
Corporate services		308	1 087	805	5 060	5 464	5 464	5 464	2 330	1 070	14 025
<b>Community and public safety</b>		7 766	5 862	3 775	16 386	7 393	7 393	7 393	3 895	5 658	9 097
Community and social services		2 404	2 834	1 226	1 616	2 160	2 160	2 160	420	1 272	6 320
Sport and recreation		3 337	2 237	2 001	14 210	3 410	3 410	3 410	2 640	3 517	2 260
Public safety		2 002	664	497	540	1 802	1 802	1 802	820	865	507
Housing		–	–	–	–	–	–	–	–	–	–
Health		23	126	51	20	20	20	20	15	5	10
<b>Economic and environmental services</b>		26 832	8 316	18 481	20 991	28 319	28 319	28 319	28 590	26 010	21 020
Planning and development		52	28	58	–	10	10	10	80	–	–
Road transport		26 781	8 289	18 423	20 991	28 309	28 309	28 309	28 510	26 010	21 020
<b>Trading services</b>		11 217	5 805	905	8 335	7 394	7 394	7 394	5 500	2 493	2 997
Electricity		2 374	1 548	547	800	795	795	795	1 438	2 293	2 227
Waste management		8 843	4 257	358	7 535	6 599	6 599	6 599	4 062	200	770
<b>Other</b>		30	37	29	40	45	45	45	260	–	–
Total Capital Expenditure - Standard	3	46 546	23 409	25 458	51 414	49 709	49 709	49 709	41 874	35 510	47 509
<b>Funded by:</b>											
National Government		41 010	23 409	24 094	47 594	39 544	39 544	39 544	38 374	35 510	47 509
Provincial Government						1 068	1 068	1 068			
District Municipality		47				–	–	–			
Other transfers and grants						–	–	–			
Transfers recognised - capital	4	41 056	23 409	24 094	47 594	40 611	40 611	40 611	38 374	35 510	47 509
Public contributions & donations	5					–	–	–			
Borrowing	6	5 490		1 364		–	–	–			
Internally generated funds					3 820	9 098	9 098	9 098	3 500		
Total Capital Funding	7	46 546	23 409	25 458	51 414	49 709	49 709	49 709	41 874	35 510	47 509

TABLE A5 BUDGETED CAPITAL EXPENDITURE BY STANDARD CLASSIFICATION	
2013/2014 MTREF	
DESCRIPTION	BUDGET YEAR 2013/2014 R'000
GOVERNANCE AND ADMINISTRATION	3 628
COMMUNITY AND PUBLIC SAFETY	3 895
ECONOMIC AND ENVIRONMENTAL SERVICES	28 591
TRADING SERVICES	5 500
OTHER	260
<b>TOTAL EXPENDITURE</b>	<b>41 874</b>



KZN284 uMlalazi - Table A6 Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		3 510	4 132	7 522	1 479	2 971	2 971	2 971	4 248	3 806	2 376
Call investment deposits	1	15 440	17 025	30 025	13 202	16 174	16 174	16 174	14 940	15 936	17 158
Consumer debtors	1	19 790	21 972	20 058	20 077	22 030	22 030	22 030	20 708	20 020	19 898
Other debtors		794	3 424	1 732	2 635	2 770	2 770	2 770	2 962	2 635	2 244
Current portion of long-term receivables		19	22	20	20	20	20	20	20	20	15
Inventory	2	2 009	1 917	1 945	1 850	2 011	2 011	2 011	2 022	2 023	1 804
<b>Total current assets</b>		<b>41 562</b>	<b>48 492</b>	<b>61 303</b>	<b>39 263</b>	<b>45 976</b>	<b>45 976</b>	<b>45 976</b>	<b>44 900</b>	<b>44 440</b>	<b>43 495</b>
<b>Non current assets</b>											
Long-term receivables		958	1 457	1 429	1 470	1 470	1 470	1 470	1 473	1 476	1 407
Investments		1	1	1	1	1	1	1	1	1	1
Investment property		6 735	8 601	9 401	15 421	10 201	10 201	10 201	11 701	13 201	14 001
Property, plant and equipment	3	241 419	406 814	438 700	400 199	442 604	442 604	442 604	445 384	480 777	503 298
Intangible		23	49	46	5	56	56	56	66	76	86
<b>Total non current assets</b>		<b>249 136</b>	<b>416 922</b>	<b>449 577</b>	<b>417 096</b>	<b>454 332</b>	<b>454 332</b>	<b>454 332</b>	<b>458 625</b>	<b>495 531</b>	<b>518 793</b>
<b>TOTAL ASSETS</b>		<b>290 698</b>	<b>465 414</b>	<b>510 880</b>	<b>456 359</b>	<b>500 308</b>	<b>500 308</b>	<b>500 308</b>	<b>503 525</b>	<b>539 971</b>	<b>562 288</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1			–	–		–	–	–	–	–
Borrowing	4	170	343	343	343	343	343	343	343	343	343
Consumer deposits		776	979	1 099	1 329	1 329	1 329	1 329	1 489	1 679	1 853
Trade and other payables	4	29 132	29 267	15 651	15 760	13 860	13 860	13 860	12 703	12 296	12 066
Provisions		2 485	3 327	15 991	4 656	4 333	4 333	4 333	5 087	5 894	6 575
<b>Total current liabilities</b>		<b>32 563</b>	<b>33 916</b>	<b>33 084</b>	<b>22 088</b>	<b>19 865</b>	<b>19 865</b>	<b>19 865</b>	<b>19 622</b>	<b>20 212</b>	<b>20 837</b>
<b>Non current liabilities</b>											
Borrowing		3 755	5 828	5 485	5 142	5 142	5 142	5 142	4 799	4 456	4 113
Provisions		14 666	18 695	19 278	21 011	18 164	18 164	18 164	16 801	19 862	20 780
<b>Total non current liabilities</b>		<b>18 421</b>	<b>24 523</b>	<b>24 763</b>	<b>26 153</b>	<b>23 306</b>	<b>23 306</b>	<b>23 306</b>	<b>21 600</b>	<b>24 318</b>	<b>24 893</b>
<b>TOTAL LIABILITIES</b>		<b>50 984</b>	<b>58 439</b>	<b>57 847</b>	<b>48 241</b>	<b>43 171</b>	<b>43 171</b>	<b>43 171</b>	<b>41 222</b>	<b>44 530</b>	<b>45 730</b>
<b>NET ASSETS</b>	5	<b>239 714</b>	<b>406 975</b>	<b>453 033</b>	<b>408 118</b>	<b>457 137</b>	<b>457 137</b>	<b>457 137</b>	<b>462 303</b>	<b>495 441</b>	<b>516 558</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		154 593	169 200	198 591	256 456	234 814	234 814	234 814	270 713	315 870	346 990
Reserves	4	85 121	262 843	254 442	151 662	222 323	222 323	222 323	191 590	179 571	169 568
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>239 714</b>	<b>432 043</b>	<b>453 033</b>	<b>408 118</b>	<b>457 137</b>	<b>457 137</b>	<b>457 137</b>	<b>462 303</b>	<b>495 441</b>	<b>516 558</b>

KZN284 uMlalazi - Table A7 Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		85 536	89 715	82 747	97 750	95 873	95 873	95 873	109 721	117 497	121 107
Government - operating	1	46 110	57 516	69 774	92 955	99 464	99 464	99 464	95 350	102 899	111 389
Government - capital	1	34 364	21 843	22 269	51 414	35 844	35 844	35 844	27 315	24 353	36 000
Interest		896	1 074	1 667	650	1 100	1 100	1 100	1 100	1 100	1 100
Dividends											
<b>Payments</b>											
Suppliers and employees		(117 488)	(149 621)	(147 354)	(188 360)	(193 681)	(193 681)	(193 681)	(197 347)	(212 175)	(231 251)
Finance charges		(149)	(643)	(770)	(817)	(712)	(712)	(712)	(698)	(657)	(689)
Transfers and Grants	1	(335)	(399)	(2 572)	(2 718)	(2 718)	(2 718)	(2 718)	(3 110)	(3 319)	(3 554)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>48 934</b>	<b>19 485</b>	<b>25 761</b>	<b>50 874</b>	<b>35 170</b>	<b>35 170</b>	<b>35 170</b>	<b>32 331</b>	<b>29 698</b>	<b>34 102</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		228	730	2 512	200	200	200	200	200	200	200
Decrease (Increase) in non-current debtors		23	(499)	(2)	(3)	(41)	(41)	(41)	(3)	(3)	69
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
<b>Payments</b>											
Capital assets		(46 546)	(21 543)	(24 658)	(51 414)	(39 767)	(39 767)	(39 767)	(31 068)	(30 184)	(35 632)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(46 295)</b>	<b>(21 312)</b>	<b>(22 148)</b>	<b>(51 217)</b>	<b>(39 608)</b>	<b>(39 608)</b>	<b>(39 608)</b>	<b>(30 871)</b>	<b>(29 987)</b>	<b>(35 363)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing		3 209	2 575								
Increase (decrease) in consumer deposits		48	203	120	160	230	230	230	160	190	174
<b>Payments</b>											
Repayment of borrowing		(79)	(329)	(343)	(343)	(343)	(343)	(343)	(343)	(343)	(343)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>3 178</b>	<b>2 449</b>	<b>(223)</b>	<b>(183)</b>	<b>(113)</b>	<b>(113)</b>	<b>(113)</b>	<b>(183)</b>	<b>(153)</b>	<b>(169)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>5 817</b>	<b>622</b>	<b>3 390</b>	<b>(526)</b>	<b>(4 551)</b>	<b>(4 551)</b>	<b>(4 551)</b>	<b>1 277</b>	<b>(442)</b>	<b>(1 430)</b>
Cash/cash equivalents at the year begin:	2	(2 307)	3 510	4 132	2 006	7 522	7 522	7 522	2 971	4 248	3 806
Cash/cash equivalents at the year end:	2	3 510	4 132	7 522	1 480	2 971	2 971	2 971	4 248	3 806	2 376

KZN284 uMlalazi - Table A8 Cash backed reserves/accumulated surplus reconciliation

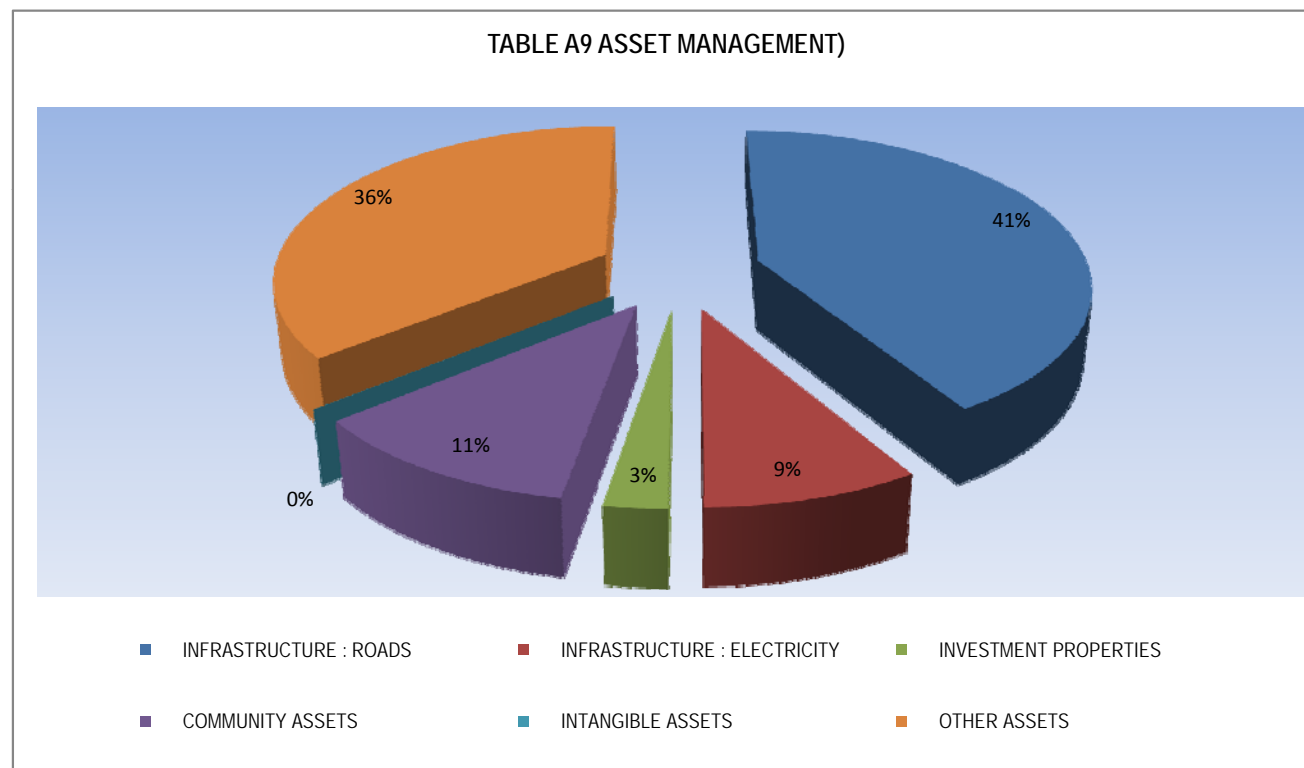
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>											
<b><u>Cash and investments available</u></b>											
Cash/cash equivalents at the year end	1	3 510	4 132	7 522	1 480	2 971	2 971	2 971	4 248	3 806	2 376
Other current investments > 90 days		15 440	17 025	30 025	13 201	16 174	16 174	16 174	14 940	15 936	17 158
Non current assets - Investments	1	1	1	1	1	1	1	1	1	1	1
<b>Cash and investments available:</b>		<b>18 951</b>	<b>21 158</b>	<b>37 548</b>	<b>14 682</b>	<b>19 146</b>	<b>19 146</b>	<b>19 146</b>	<b>19 189</b>	<b>19 743</b>	<b>19 535</b>
<b><u>Application of cash and investments</u></b>											
Unspent conditional transfers		14 111	16 032	5 927	5 611	4 149	4 149	4 149	4 564	4 792	4 552
Unspent borrowing		3 755	5 828	5 485	5 142	5 485	5 485	5 485	4 799	4 456	4 113
Statutory requirements	2	386	1 547	513	900	1 300	1 300	1 300	1 100	1 000	750
Other working capital requirements	3	(8 166)	(13 248)	(11 818)	(14 534)	(16 634)	(16 634)	(16 634)	(17 877)	(16 984)	(14 677)
Other provisions		603	820	15 992	830	4 333	4 333	4 333	5 087	5 894	6 575
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	11 839	13 519	14 128	14 438	14 683	14 683	14 683	15 268	15 879	17 130
<b>Total Application of cash and investments:</b>		<b>22 528</b>	<b>24 498</b>	<b>30 227</b>	<b>12 387</b>	<b>13 316</b>	<b>13 316</b>	<b>13 316</b>	<b>12 941</b>	<b>15 037</b>	<b>18 443</b>
<b>Surplus(shortfall)</b>		<b>(3 577)</b>	<b>(3 340)</b>	<b>7 321</b>	<b>2 295</b>	<b>5 830</b>	<b>5 830</b>	<b>5 830</b>	<b>6 248</b>	<b>4 706</b>	<b>1 092</b>

KZN284 uMlalazi - Table A9 Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	44 682	22 052	23 552	41 101	32 504	32 504	26 458	31 485	41 154
Infrastructure - Road transport		24 905	6 417	17 067	9 125	9 379	9 379	12 581	23 825	16 600
Infrastructure - Electricity		1 831	1 463	347	620	615	615	1 038	1 745	1 534
Infrastructure - Other		8 334	4 593	813	10 875	9 989	9 989	7 727	-	-
Infrastructure		35 077	12 473	18 226	20 619	19 983	19 983	27 346	25 570	18 134
Community		6 120	5 362	3 086	17 011	8 284	8 284	3 400	4 028	20 500
Investment properties		-	1 866	800	2 100	2 100	2 100	-	-	-
Other assets	6	3 491	2 351	1 439	1 370	2 138	2 138	1 712	1 887	2 520
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	1 863	1 357	1 907	10 314	17 204	17 204	15 416	4 025	6 355
Infrastructure - Road transport		1 388	866	1 060	7 626	14 703	14 703	11 120	1 165	3 300
Infrastructure - Electricity		112	85	140	100	100	100	140	120	143
Infrastructure - Other		164	-	130	350	355	355	130	-	-
Infrastructure		1 664	951	1 330	8 076	15 158	15 158	11 390	1 285	3 443
Community		-	184	230	200	200	200	1 015	900	1 450
Other assets	6	200	223	347	2 038	1 847	1 847	3 011	1 840	1 462
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	26 293	7 283	18 126	16 750	24 081	24 081	23 700	24 990	19 900
Infrastructure - Road transport		1 943	1 548	487	720	715	715	1 178	1 865	1 677
Infrastructure - Electricity		8 498	4 593	943	11 225	10 344	10 344	7 857	-	-
Infrastructure - Other		36 734	13 424	19 556	28 695	35 140	35 140	32 736	26 855	21 577
Infrastructure		6 120	5 546	3 316	17 211	8 484	8 484	4 415	4 928	21 950
Community		-	1 866	800	2 100	2 100	2 100	-	-	-
Investment properties		3 691	2 574	1 786	3 408	3 984	3 984	4 723	3 727	3 982
Other assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	46 546	23 409	25 458	51 414	49 709	49 709	41 874	35 510	47 509
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport		62 465	192 154	212 208	157 748	212 208	212 208	189 106	189 106	189 106
Infrastructure - Electricity		12 404	40 984	39 798	36 922	39 798	39 798	39 798	39 798	39 798
Infrastructure - Other		74 869	233 138	252 006	194 670	252 006	252 006	228 904	228 904	228 904
Infrastructure		42 205	51 276	52 594	89 328	52 294	52 294	52 294	52 294	52 294
Community		6 735	8 601	9 401	15 421	10 201	10 201	11 701	13 201	14 001
Investment properties		124 346	122 400	134 100	116 201	138 304	138 304	164 186	199 579	222 100
Other assets		23	49	46	5	56	56	66	76	86
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	248 177	415 464	448 147	415 625	452 861	452 861	457 151	494 054	517 385
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>	3	7 265	7 037	7 548	8 804	8 101	8 101	8 547	8 983	9 423
<b>Repairs and Maintenance by Asset Class</b>		5 097	5 505	10 013	8 548	10 299	10 299	6 250	6 545	7 598
Infrastructure - Road transport		1 721	2 043	4 227	3 974	4 301	4 301	1 062	1 116	1 171
Infrastructure - Electricity		946	1 092	1 082	1 281	1 355	1 355	1 409	1 481	1 553
Infrastructure - Other		573	492	630	492	702	702	731	768	806
Infrastructure		3 240	3 627	5 938	5 747	6 358	6 358	3 201	3 364	3 529
Community		1 550	1 428	3 405	2 192	3 278	3 278	2 057	1 780	2 974
Other assets	6, 7	307	450	670	610	663	663	992	1 400	1 094
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		12 362	12 542	17 561	17 352	18 400	18 400	14 797	15 527	17 020
<b>Renewal of Existing Assets as % of total capex</b>		4.0%	5.8%	7.5%	20.1%	34.6%	34.6%	36.8%	11.3%	13.4%
<b>Renewal of Existing Assets as % of deprecn"</b>		25.6%	19.3%	25.3%	117.1%	212.4%	212.4%	180.4%	44.8%	67.4%
<b>R&amp;M as a % of PPE</b>		2.1%	1.4%	2.3%	2.1%	2.3%	2.3%	1.4%	1.4%	1.5%
<b>Renewal and R&amp;M as a % of PPE</b>		3.0%	2.0%	3.0%	5.0%	6.0%	6.0%	5.0%	2.0%	3.0%



TABLE A9 ASSET MANAGEMENT	
2013/2014 MTREF	
DESCRIPTION	BUDGET YEAR 2013/2014 R'000
<b>ASSET REGISTER SUMMARY</b>	
INFRASTRUCTURE : ROADS	189106
INFRASTRUCTURE : ELECTRICITY	39798
INVESTMENT PROPERTIES	11701
COMMUNITY ASSETS	52294
INTANGIBLE ASSETS	66
OTHER ASSETS	164186
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>457151</b>



KZN284 uMlalazi - Table A10 Basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Household service targets</b>	1									
<b><u>Energy:</u></b>										
Electricity (at least min.service level)		1 412	1 552		763	763	763	695	675	600
Electricity - prepaid (min.service level)		3 949	4 340		4 560	4 560	4 560	3 334	3 354	3 429
<i>Minimum Service Level and Above sub-total</i>		5 361	5 892	–	5 323	5 323	5 323	4 029	4 029	4 029
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources		461	583		690	690	690	704	704	704
<i>Below Minimum Service Level sub-total</i>		461	583	–	690	690	690	704	704	704
<b>Total number of households</b>	5	5 822	6 475	–	6 013	6 013	6 013	4 733	4 733	4 733
<b><u>Refuse:</u></b>										
Removed at least once a week								4 450	4 540	4 630
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	4 450	4 540	4 630
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	–	–	–	–	–	–	4 450	4 540	4 630
<b><u>Households receiving Free Basic Service</u></b>	7									
Electricity/other energy (50kwh per household per month)					2 787	2 787	2 787	2 844	2 900	2 960
Refuse (removed at least once a week)					989	989	989	994	1 014	1 035
<b><u>Cost of Free Basic Services provided (R'000)</u></b>	8									
Electricity/other energy (50kwh per household per month)					33	33	33	37	37	37
Refuse (removed once a week)					101	101	101	112	120	128
<b>Total cost of FBS provided (minimum social package)</b>		–	–	–	134	134	134	149	157	165
<b><u>Highest level of free service provided</u></b>										
Property rates (R value threshold)		50	50		75	75	75	75	75	75
Electricity (kwh per household per month)					50	50	50	50	50	50
Refuse (average litres per week)										
<b><u>Revenue cost of free services provided (R'000)</u></b>	9									
Property rates (R15 000 threshold rebate)					732	732	732	752	790	829
Property rates (other exemptions, reductions and rebates)		11 766	11 766		10 583	10 583	10 583	9 362	9 839	10 322
Electricity/other energy		611	611		1 050	1 050	1 050	1 217	1 306	1 415
Refuse		459	459		1 207	1 207	1 207	1 363	1 459	1 561
<b>Total revenue cost of free services provided (total social package)</b>		12 836	12 836	–	13 572	13 572	13 572	12 694	13 394	14 127

## 5. OVERVIEW OF ANNUAL BUDGET PROCESS

### 5.1 Process to prepare the budget

The budget and IDP process occurred according to the budget timetable approved by Council in August 2012. The Budget and MTREF was also prepared taking cognizance of the contents of the LG: MFMA, Act No. 56 of 2003, Circular No.58 and the LG: MFMA Budget Formats Guide received from National Treasury.

### 5.2 Service Delivery and Budget Implementation Plan

Section 1 of the Local Government: Municipal Finance Management Act (No.56 of 2003) defines the SDBIP as:

- “ a detailed plan approved by the mayor of a municipality in terms of section 53 (1)(c)(ii) for implementing the municipality’s delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:
- (a) projections for each month of-
    - (i) revenue to be collected, by source; and
    - (ii) operational and capital expenditure, by vote;
  - (b) service delivery targets and performance indicators for each quarter”.

The municipal manager is responsible for the preparation of the SDBIP, which must be legally submitted to the mayor for approval once the budget has been approved by the council (around end-May or early-June). However, the municipal manager should start the process to prepare the top-layer of the SDBIP no later than the tabling of the budget (around March or earlier) and preferably submit a draft SDBIP to the mayor by 1 May (for initial approval). Once the budget is approved by the Council, the municipal manager should merely revise the approved draft SDBIP, and submit for final approval within 14 days after the approval of the budget. The mayor should therefore approve the final SDBIP and performance agreements simultaneously, and then make the SDBIP and performance agreement of the municipal manager public within 14 days, preferably before 1 July. Note that it is only the top layer (of high-level) detail of the SDBIP that is required to be made public.

It is the output and goals made public in the SDBIP that will be used to measure performance on a quarterly basis during the financial year. Note that such in-year monitoring is meant to be a light form of monitoring. The council should reserve its oversight role over performance at the end of the financial year, when the mayor tables the annual report of the municipality. The in-year monitoring is designed to pick up major problems only, and aimed at ensuring that the mayor and municipal manager are taking corrective steps when any unanticipated problems arise. The SDBIP serves a critical role to focus both the administration and council on outputs by providing clarity of service delivery expectations, expenditure and revenue requirements, service delivery targets and performance indicators.

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councilors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality. The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, service contracts and the like.

The Service Delivery and Budget Implementation Plan (SDBIP) for the 2013/2014 budget year, is included in section 14 of this document.

### 5.3 Review of Integrated Development Plan (IDP)

Hereunder follows the summary of the IDP process:

MONTH	ACTIVITIES			
	IDP	PMS	BUDGET	
July	<p>Draft IDP Process 2013/14. Submit draft 2013/14 Process Plan to COGTA for assessment and approval by MEC.</p> <p>District adopts a binding framework for IDP in the area as a whole ensuring alignment of the IDP process of the district and various local municipalities, MSA s 27.</p> <p>Development of IDP Process Plan that guide the planning, drafting, adoption and review of the plan, MSA s 28.</p>	<p>Municipal Manager submits draft service delivery and implementation plan (SDBIP) to Mayor no later than 14 days after approval of budget.</p> <p>Mayor ensures that service delivery and budget implementation plan is approved within 14 days of approval of budget.</p> <p>Mayor to ensure that the following is made public within 14 days of approval of service delivery and budget implementation plan.</p> <p>Municipal Manager submits draft performance agreements to Mayor no later than 14 days after approval of budget, s69 of the MFMA and s57 of the MSA.</p> <p>Mayor to ensure that performance agreements comply with MFMA to promote sound financial management.</p> <p>Mayor to ensure that agreements are linked to the measurable performance objectives approved with the budget and service delivery implementation plan.</p> <p>Mayor to ensure that agreements are linked to the measurable performance objectives approved with the budget and service delivery implementation plan.</p>	<p>Mayor begins planning for next three year budget in accordance with coordination role of budget process, MFMA s 53.</p> <p>Planning includes review of the previous year budget process and completion of the Budget Evaluation Checklist.</p>	<p>Municipal Manager and Heads of Departments planning for next threeyear budget, MFMA s 68, 77.</p> <p>Municipal Manager and Heads of Departments review options and contracts for service delivery, MSA s 7681.</p>

		<p>Mayor to ensure performance agreements submitted to Council and MEC for local government in the province.</p> <p>2012/13 final s 56 Managers' Performance Assessments. Quarterly SDBIP Report (for last quarter of 11/12) MPPR Reg. 14.</p> <p>Quarterly Audit Committee meeting (for the last quarter of 11/12 ) MFMA Sect 166 &amp; MPPR Reg. 14(3)(a).</p> <p>Special Audit Committee meeting (for evaluation of s 56 Managers final assessments) MPPR Reg. 14(3)(b).</p>		
August	<p>Workshop the entire Process Plan with Council.</p> <p>IDP Review Process Plan tabled at MANCO, EXCO and Council for approval.</p> <p>Give notice to local community of particulars of the Process Plan, MSA s28. (The advert will come out in the first week of September 2011).</p> <p>IDP preparation process Consider proposals received from MEC, if any, MSA s 32.</p> <p>Consider comments received from Councillors, Ward Committees and other various roleplayers during the 2012/13 IDP Screening Session and IDP/Budget.</p>		<p>Mayor tables in Council a Process Plan outlining key deadlines for: preparing, tabling and approving the budget, developing and/or reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year, MFMA s 21,22, 23; MSA s 34, Ch 4 (as amended).</p> <p>Mayor establishes committees and consultation forums for the budget process.</p>	<p>Municipal Manager submit financial statements of the municipality to AuditorGeneral by 31 August, MFMA Sec 126(1)(a).</p>

September	<p>IDP preparation process</p> <p>Hold a self assessment Dialogue to review performance of the municipality and determine shortcomings and weaknesses.</p> <p>Integration of information into IDP where necessary including incorporation of Service Plans from Heads of Departments.</p> <p>Initiate the process of reviewing Spatial Development Framework.</p> <p>Updating and review of the strategic elements of the SDF in line with the EXCO focus.</p> <p>Public consultation in terms of CBP continues.</p> <p>Refinement of Statutory Plans initiated by Heads of Departments.</p>	<p>Auditor General audit of performance measures</p>	<p>Council through the IDP process determines five –year strategic objectives for service delivery and development for next threeyear budgets including review of provincial and national government sector and strategic plans.</p>	<p>Municipal Manager submit consolidated Annual Financial Statement to AuditorGeneral by 30 September, MFMA Sec 126(1)(b). This should be read in conjunction with the Exemption by the National Treasury (Government Gazette No. 522, 29 June 2007)</p> <p>Budget offices of municipality and entities determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives.</p> <p>Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc).</p>
October	<p>Continue with integration of information from Service Plans into the IDP.</p> <p>EXCO uThungulu to review and update the IDP Vision, Objectives and Strategies.</p> <p>Setting new strategic agenda for the IDP in light of the new focus of Council.</p> <p>Initiate the process of reviewing Spatial Development</p>	<p>Appointment of the Audit Committee, MPPR Reg. 14.</p> <p>Sect 57 Managers' quarterly assessments (for first quarter of 2011/12)</p>		<p>Municipal Manager does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials, MFMA s 35, 36, 42; MTBPS</p>

	<p>Framework.</p> <p>Initiate CBP Communitybased planning launched.</p> <p>Engage in a process of developing ward plans in line with MTREF.</p> <p>Updating and review of the strategic elements of the SDF in line with the EXCO focus.</p>			
November	<p>Continue with integration of information from Service Plans, Statutory Plans into the IDP.</p> <p>Initiate the process of reviewing Spatial Development Framework.</p> <p>Confirming municipal priority areas for the next 5 years.</p> <p>High level programmes from all wards integrated into IDP.</p> <p>Refining municipal Strategies, Objectives, KPA's, KPI's and targets so as to influence the budget.</p> <p>Set and agree on three IDP priority projects.</p> <p>Stakeholder Forum to refine, amend and/or confirm the above.</p>	<p>Quarterly SDBIP (for first quarter of 2011/12, MPPR Reg. 14.</p> <p>Quarterly Audit Committee meeting (for the first quarter of 0910 MFMA Sect 166 &amp; MPPR Reg. 14(3)(a).</p>		<p>Municipal Manager reviews and drafts initial changes to IDP, MSA s34.</p> <p>AuditorGeneral to return audit report due by 30 November, MFMA 126(4).</p>

December	<p>Institutional plan refined to deliver on the municipal strategy. Horizontal and vertical alignment with District, Province and other stakeholders begins.</p> <p>Directorates identifying programmes and projects with external stakeholders. Financial Plan and Capital Investment Plan are developed.</p>	<p>Compile annual report for 2011/12, MFMA s121.</p>	<p>Council finalises tariff (rates and service charges) policies for next financial year, MSA s 74, 75.</p>	<p>Audit report returned to the Municipal Manager by 31 December, MFMA s133(2).</p> <p>On receipt of the audit report Municipal Manager must address issues raised by the AuditorGeneral and prepare action plans to address issues and include these in the annual report, MFMA s131(1).</p> <p>Municipal Manager and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year performance as per audited financial statements.</p>
January	<p>Horizontal and vertical alignment with District, Province and other stakeholders continues.</p> <p>Directorates identifying programmes and projects with external stakeholders. Capital Investment and Financial Plans refined.</p>	<p>Annual Customer Satisfaction survey (to be consolidated to 2011/12 annual report), MSA s 40.</p> <p>Mayor tables annual reports for 2010/11, MFMA Sect127(2).</p> <p>Make public annual report and invite community inputs into report (MFMA s127 &amp; MSA s 21a).</p> <p>s 57 Managers' quarterly assessments (for second quarter of 11/12).</p>	<p>Head of Directors of directors must approve and submit proposed budget and plans for next threeyear budgets to Municipal Manager at least 150 days before the start of the budget year, MFMA s 87(1).</p>	<p>Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January), MFMA s 36.</p> <p>Immediately after the annual report is tabled, the Municipal Manager make public annual report and invite community inputs into report (MFMA s 127 &amp; MSA s21a).</p>



February	<p>Horizontal and vertical alignment with District, Province and other stakeholders continues.</p> <p>Directorates identifying programmes and projects with external stakeholders. Capital Investment and Financial Plans refined.</p>	<p>Quarterly SDBIP (for second quarter of 11/12) MPPR Reg. 14</p> <p>Quarterly Audit Committee meeting (for the second quarter of 11/12, MFMA Sect166 &amp; MPPR Reg. 14(3)(a)</p> <p>Submit annual report to Auditor General, MECs for Local Government and Treasury, MFMA s 127.</p>	<p>Council considers Municipal Manager proposed budget and service delivery plan and accepts or makes recommendations, MFMA s 87(2).</p>	<p>Municipal Manager finalises and submits to Mayor proposed budgets and plans for next threeyear budgets taking into account the recent midyear review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report.</p> <p>Municipal Manager to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year, MFMA s37(2).</p>
March	<p>Prepare service delivery and budget implementation plans linked to the IDP strategies, objectives, KPI's and targets.</p> <p>Finanlise Capital Investment Plan and Financial Plans.</p> <p>Conclusion of Service Plans and integration into the IDP document.</p> <p>Tabling of draft IDP, budget, plans and related policies with resolutions before Council (Municipal Manager)</p> <p>Publication of the tabled IDP, budget, plans and invitation to local community and stakeholders for comments and inputs and submission to National and Provincial treasuries.</p>	<p>Council to consider and adopt an oversight report, due by 31 March, MFMA Sec 129(1).</p> <p>Set performance objectives for revenue for each budget vote, MFMA s 17.</p>	<p>Heads of Departments considers recommendations of Municipal Manager and submit revised budget, MFMA s 87(2).</p> <p>Mayor tables municipality budget, budgets of entities, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year, MFMA s16, 22, 23, 87; MSA s 34.</p>	<p>Municipal Manager publishes tabled budget, plans , and proposed revisions to IDP, invites local community comment and submits to National Treasury, Provincial Treasury and others as prescribed MFMA s 22 &amp; 37; MSA Ch 4 (as amended).</p> <p>Municipal Manager reviews any changes in prices for bulk resources as communicated, MFMA s 42.</p>

April	<p>Portfolio Committee and Council Hearings launched through series of public representations by community and stakeholders on the IDP and Budget.</p> <p>Prepare service delivery and budget implementation plans linked to the IDP strategies, objectives, KPI's and targets.</p>	<p>Refinement of Municipal Strategies, Objectives, KPA's, KPI's and targets and inclusion into 2011/16 IDP report.</p> <p>s57 Managers' Quarterly Performance Assessments Publicise Annual Oversight Report within seven day of adoption, MFMA Sec 129(3) and s 21A MSA.</p> <p>Within seven days of adoption of Oversight Report submit to the Provincial Legislature/MEC Local Government the annual report and the oversight reports on those annual reports, MFMA Sec 132(2).</p>	<p>Consultation with national and provincial treasuries and finalise service plans for water, sanitation, electricity etc, MFMA s 21.</p>	<p>Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year.</p>
May	<p>IDP Budget Conference to consider the revisions and amendments to the IDP and budget.</p> <p>Consultative Workshop with the entire Council on the final draft IDP and the budget.</p> <p>EXCO recommends adoption of the IDP to Council.</p> <p>Council sitting to approve IDP, budget and related policies.</p>	<p>Quarterly SDBIP Report (for third quarter of 2011/12) MPPR Reg. 14</p> <p>Quarterly Audit Committee meeting (for third quarter of 2011/12 , MFMA s 166 &amp; MPPR Reg. 14(3)(a).</p> <p>Annual review of organisational KPIs, MPPR Reg 11.</p> <p>Review annual organizational performance targets, MPPR Reg 11.</p>	<p>Public hearings on the budget, and council debate. Council consider views of the local community, National Treasury, Provincial Treasury, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30 days before start of budget year, MFMA s 23, 24; MSA Ch 4 (as amended).</p> <p>Municipal Managers and Heads of Departments to approve the budget of the entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council, MFMA s 87.</p>	<p>Municipal Manager assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature.</p>

June	<p>Submission of draft 2012/13 SDBIP and annual performance agreements by Municipal Manager to the Mayor for consideration.</p> <p>Mayor approves 2012/13 SDBIP and annual performance agreements for Municipal Manager and Directors (s 57).</p>	<p>Community input into organisation KPIs and targets.</p>	<p>Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year, MFMA s16, 24, 26, 53.</p> <p>Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA.</p> <p>Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP.</p> <p>The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval, MFMA s 53; MSA s 3845, 57(2).</p> <p>Council must finalise a system of delegations, MFMA s 59, 79, 82; MSA s 5965.</p>	<p>Municipal Manager submits to the Mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA and MFMA s 69; MSA s57.</p> <p>Municipal Manager publish adopted budget and plans, MFMA s 75, 87.</p>
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#### 5.4 Consultation process

The proposed consultation meetings with the community are scheduled as follows:

Venue	Day	Date	Time
Gingindlovu Community Hall (Ward 18)	Tuesday	19 March 2013	17:30
Kwaphangandawo Community Hall (Ward 7)	Sunday	24 March 2013	13:30
Esiwohlweni Community Hall (Ward 21)	Sunday	31 March 2013	11:00
Eshowe Town Hall (Ward 11&12)	Sunday	7 April 2013	14:00
Mthunzini Community Hall Ward 19)	Tuesday	9 April 2013	17:30

#### 5.5 Schedule of key deadlines

Hereunder is the schedule of key deadlines that was approved by Council in June 2012,

Tasks and Activities	Responsible Body	Effective Date
<b>July 2012</b>		
<ul style="list-style-type: none"> <li>Discussion with Directors and Managers on the 2013/2014 budget process.</li> </ul>	Chief Financial Officer	09 July 2012
<ul style="list-style-type: none"> <li>Establishing of forums and committees (internal and external) for consultation on budget and IDP process.</li> </ul>	Municipal Manager/ Directors	During July 2012
<b>August 2012</b>		
<ul style="list-style-type: none"> <li>Preparation of 2013/2014 IDP Process plan to be submitted to Exco and Council, and thereafter to the Dept of Co-operative Governance and Traditional Affairs.</li> </ul>	Municipal Manager	06 August 2012
<ul style="list-style-type: none"> <li>Assess 2011/2012 Draft Financial Statements and current year's (2012/2013) revised results and capacity, to determine the impact on future strategies and budgets.</li> </ul>	Chief Financial Officer	31 August 2012
<b>September 2012</b>		
<ul style="list-style-type: none"> <li>Issuing of 5 year Capital Programme to Mayor and Directors for amendments.</li> </ul>	Chief Financial Officer	03 September 2012
<ul style="list-style-type: none"> <li>Workshop with Senior Management in order to review the prioritization model to be used to compile the capital budget.</li> </ul>	Chief Financial Officer	03 September 2012
<ul style="list-style-type: none"> <li>Council approval of the 2013/2014 IDP Process plan.</li> </ul>	Municipal Manager	25 September 2012

Tasks and Activities	Responsible Body	Effective Date
October 2012		
<ul style="list-style-type: none"> <li>Issuing of blank Operating Budget to Mayor and Senior Managers to be used as working documents.</li> </ul>	Chief Financial Officer	01 October 2012
<ul style="list-style-type: none"> <li>Issuing of the 2013/2014 Multi-year guideline addressing various budget assumptions, internal budget processes, policies etc.</li> </ul>	Chief Financial Officer	01 October 2012
<ul style="list-style-type: none"> <li>Public information meetings (divided into the established clusters), reviewing and strategizing the current Integrated Development Plan.</li> </ul>	Municipal Manager	During October
<ul style="list-style-type: none"> <li>Obtain allocations to municipalities from National and Provincial Governments in terms of the Draft Division of Revenue Bill.</li> </ul>	Chief Financial Officer	31 October 2012
<ul style="list-style-type: none"> <li>Budget requests from Councillors/ ward committees, fully supported within the IDP document, be submitted to the Municipal Manager in order for the relevant Director to determine the financial and operational impacts of such requests.</li> </ul>	Municipal Manager/ Councillors/ Relevant Directors	31 October 2012
November 2012		
<ul style="list-style-type: none"> <li>Discussions with Directors/ Managers on the Draft Capital projects for the 2013/2014 Multi-year budget.</li> </ul>	Chief Financial Officer	05 November 2012
<ul style="list-style-type: none"> <li>Information sharing meeting/ session with all sector departments and neighbouring local municipalities to ensure that synergy occurs on all levels between the various local IDP documents and to align with the IDP review document of the District Municipality to achieve more support on the regional scale.</li> </ul>	Municipal Manager	15 November 2012
<ul style="list-style-type: none"> <li>Submission of the public participation report to the Mayor.</li> </ul>	Municipal Manager	16 November 2012
<ul style="list-style-type: none"> <li>Submission of the Draft 5 year Capital Programme according to the Council's strategic objectives, as set out in the Integrated Development Plan.</li> </ul>	Directors	30 November 2012

Tasks and Activities	Responsible Body	Effective Date
<b>November 2012 (Continued)</b> <ul style="list-style-type: none"> <li>Submission of the Draft Operating estimates for the 2013/2014 Multi-year budget, analysed according to activities aligned to the Council's strategic objectives, as set out in the Integrated Development Plan.</li> <li>Submission of business plans for Equitable Share grant allocations spending for the 2013/2014 budget year.</li> </ul>	<p>Directors</p> <p>Directors</p>	<p>30 November 2012</p> <p>30 November 2012</p>
<b>December 2012</b> <ul style="list-style-type: none"> <li>Perform a mid-year financial review on the current year's (2012/2013) budget and revised estimates to submit an Adjustments budget to Council if considered necessary.</li> <li>Alignment of the Draft Capital estimates to the IDP.</li> </ul>	<p>Directors</p> <p>Directors</p>	<p>14 December 2012</p> <p>14 December 2012</p>
<b>January 2013</b> <ul style="list-style-type: none"> <li>Discussions with Directors on the Draft Operating estimates for the 2013/2014 Multi-year budget.</li> <li>Alignment of the Draft Operating estimates to IDP.</li> <li>Submit 2011/2012 Annual Report to Council.</li> <li>Submit adjustments budget, mid-year budget and performance assessment report to Council.</li> <li>Submission of cash flow for 2013/2014 capital expenditure and draft SDBIP for the 2013/2014 budget year.</li> </ul>	<p>Chief Financial Officer</p> <p>Directors</p> <p>Municipal Manager</p> <p>Municipal Manager/ Chief Financial Officer</p> <p>Directors</p>	<p>14 January 2013</p> <p>14 January 2013</p> <p>22 January 2013</p> <p>22 January 2013</p> <p>31 January 2013</p>

Tasks and Activities	Responsible Body	Effective Date
<b>February 2013</b>		
<ul style="list-style-type: none"> <li>• Submit to National and Provincial Treasury in both printed and electronic form the adjustments budget, mid-year budget and performance assessment within 10 working days of Council meeting.</li> </ul>	Municipal Manager	05 February 2013
<ul style="list-style-type: none"> <li>• Make public the adjustments budget, mid-year budget and performance assessment report by placing it on municipal website.</li> </ul>	Municipal Manager	05 February 2013
<ul style="list-style-type: none"> <li>• Discussions with Directors on the Draft Capital and Operating estimates for the 2013/2014 Multi-year budget.</li> </ul>	Chief Financial Officer	18 February 2013
<ul style="list-style-type: none"> <li>• Discussions with Directors on the Draft Service Delivery and Budget Implementation Plan for the 2013/2014 budget year.</li> </ul>	Chief Financial Officer	19-22 February 2013
<b>March 2013</b>		
<ul style="list-style-type: none"> <li>• Discussions with Budget Steering Committee on the Draft Capital and Operating estimates for the 2013/2014 Multi-year budget.</li> </ul>	Municipal Manager/ Chief Financial Officer	04 March 2013
<ul style="list-style-type: none"> <li>• Submit Draft 2013/2014 Multi-year budget, Draft IDP and Draft Service Delivery and Budget Implementation Plan to Council.</li> </ul>	Chief Financial Officer	26 March 2013
<b>April 2013</b>		
<ul style="list-style-type: none"> <li>• Make public the tabled draft budget and supporting documentation within 10 working days after being approved by Council.</li> </ul>	Municipal Manager	11 April 2013
<ul style="list-style-type: none"> <li>• Tabled Draft 2013/2014 Multi-year budget, Draft IDP and Draft Service Delivery and Budget Implementation Plan in both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council.</li> </ul>	Municipal Manager	11 April 2013

Tasks and Activities	Responsible Body	Effective Date
<b>April 2013 (Continued)</b> <ul style="list-style-type: none"> <li>Undertake a 4 week community consultation process of the budget.</li> <li>Discussions with Budget Steering Committee on the revised 2013/2014 Multi-year budget.</li> <li>Revision of the budget and IDP from inputs received from the community, Government departments and National Treasury, if required.</li> </ul>	Mayor/ M M and Directors  Municipal Manager/ Chief Financial Officer  Chief Financial Officer	During April 2013  29 April 2013  30 April 2013
<b>May 2013</b> <ul style="list-style-type: none"> <li>Informal discussions with Exco on the 2013/2014 Multi-year budget.</li> <li>Revised budget, IDP and Service Delivery and Budget Implementayion Plan, incorporating community inputs, tabled at Council for approval.</li> </ul>	Municipal Manager/ Chief Financial Officer  Mayor	08 May 2013  28 May 2013
<b>June 2013</b> <ul style="list-style-type: none"> <li>Preparation of the budget process plan and timetable for the 2014/2015 multi-year budget.</li> <li>Publish approved budget and tariffs. For the 2012/2013 budget year.</li> <li>Make public the approved budget and supporting documentation within 10 working days after being approved by Council, by placing it on the municipal website.</li> <li>Approved 2013/2014 Multi-year budget, IDP and Service Delivery and Budget Implementation Plan both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council.</li> <li>Council approval of the 2014/2015 Multi-year budget process and timetable.</li> </ul>	Chief Financial Officer  Corporate Services  Municipal Manager  Municipal Manager  Chief Financial Officer	03 June 2013  06 June 2013  11 June 2013  11 June 2013  25 June 2013



6. Overview of alignment of annual budget with Integrated Development Plan

6.1 Hereunder follows the strategic plan to be included in the draft IDP

ACTION PLAN						
KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT						
GOAL	STRATEGY	ACTION	2013/14	2014/2015	2015/2016	DEPARTMENT
Institutional development	To finalise job evaluation – Appeals, new positions	<ol style="list-style-type: none"> <li>Finalise and implement Organisational restructuring –</li> <li>Complete outstanding job descriptions in terms of task</li> <li>Complete appeals through provincial tribunal</li> </ol>	√			Corporate
	To attract and retain scarce skilled staff	<ul style="list-style-type: none"> <li>Identify scarce posts</li> <li>Develop and implement Scarce Skills Policy</li> </ul>	√			
	To develop Contract Management	<ol style="list-style-type: none"> <li>Fill vacant post of contract manager</li> <li>Implement contracts management system</li> </ol>	√			
	Fill critical & essential posts in-line with revised Organisational Structure  To increase staff capacity in all Departments	<ol style="list-style-type: none"> <li>Convert Contract staff to permanent positions</li> <li>Fill the new prioritized positions in terms of organagram</li> </ol>	√	√		
	To provide adequate training and development to staff & councillors	<ul style="list-style-type: none"> <li>Train Staff and Councillors in terms of workplace skills plan</li> </ul>	√			
	To introduce an Employee Assistance Programme	<ul style="list-style-type: none"> <li>Appoint EAP Officer</li> <li>Adopt Employee Assistance Programme</li> <li>Budget &amp; Implement Employee Assistance Programme</li> </ul>	R100000	√	√	
	To provide improved IT Management	<ul style="list-style-type: none"> <li>Carry out Audit on current computer and software requirements, including data management</li> <li>Identify and address critical shortcomings in terms of technology and operating systems</li> </ul> Employment of IT Officer to improve capacity and functionary areas of IT	√	√	√	

Municipal Transformation	To ensure employment equity	Review Employment Equity Plan	√			•
KPA 2: SERVICE DELIVERY						
GOAL	STRATEGY	ACTION	2013/14	2014/2015	2015/2016	DEPARTMENT
To address Backlogs in Service Delivery	To facilitate the provision of potable water and sanitation	<ul style="list-style-type: none"> <li>Facilitate with uThungulu to ensure alignment of water provisioning to relevant Municipal Capital Projects</li> </ul> Conduct Feasibility Study to take over water and sanitation services function	√	√	√	•
	To provide electricity / energy within Eshowe	<ul style="list-style-type: none"> <li>Upgrade Eskom Power Supply to improve capacity to Eshowe</li> <li>Investigate ringfeed project for King Dinuzulu</li> <li>Investigate and implement renewable energy programmes</li> <li>Implement phase 2 of solar water geysers project</li> </ul> Ensure labour-intensive construction("LIC") as per EPWP requirements				•
	To facilitate Electricity provision in all areas (with the exception of Eshowe)	<ul style="list-style-type: none"> <li>Conduct meetings with Eskom to ensure alignment of energy provisioning to Municipal Capital Projects</li> <li>Facilitate the provision of Free Electricity Services</li> <li>Liase with Eskom to investigate and implement renewable energy programmes for Council buildings</li> </ul>				•
	To ensure the roll-out of waste management services in rural areas, and the provision of recycling facilities at appropriate locations	<ul style="list-style-type: none"> <li>Expand 'Food for Waste' and "War against Poverty" programmes into all wards</li> <li>Conduct feasibility study for recycling facilities and buy back centres in order to create jobs</li> <li>Investigate waste transfer station services in rural areas</li> </ul> Support existing recycling companies				•
	To ensure the provision and maintenance of municipal roads, sidewalks and causeways	<ul style="list-style-type: none"> <li>Continued implementation of Pavement Management System for urban roads, sidewalks and Stormwater Management Systems</li> <li>Implement rural roads programme with the hired graders</li> <li>Prepare Integrated Transportation Plan</li> <li>Implement Integrated Transportation Plan</li> </ul> Implement Road Management System				•
	To ensure the provision of commuter and trading shelters	<ul style="list-style-type: none"> <li>Formalise the trading areas at the Eshowe Bus and Taxi Rank</li> <li>Formalise the trading areas at Bus and Taxi Ranks in King DinuZulu and Gingindlovu</li> <li>Identify land within Mtunzini for informal trading purposes</li> <li>Provision of shelters and offices at King DinuZulu Bus and Taxi Rank</li> <li>Provision of offices at Gingindlovu Bus and Taxi Rank</li> <li>Prepare Short-Term Strategy to address immediate informal trading challenges in urban areas</li> </ul> Prepare Informal Trading Plan for all Nodal Areas				•

	Quality control in rural area	<ul style="list-style-type: none"> <li>Ensure that building plans are submitted and approved for all structures proposed to be built within the Municipal Area</li> </ul> <p>Strengthen PMU with technical officers (building inspections) to ensure quality and M &amp; E</p>				•
To ensure that organisational facilities are provided and maintained, in order to ensure that the Municipality's development mandate can be met	To ensure that adequate office space is provided for Councillors and officials, preferably at one civic centre	<ul style="list-style-type: none"> <li>Conduct survey and Identify suitable land options for civic offices on Council owned land</li> </ul> <p>Source funding</p>				•
	To ensure that the Eshowe Testing Station is operated effectively and efficiently	<ul style="list-style-type: none"> <li>Capacitate functionary areas</li> <li>Provide office equipment</li> </ul> <p>Provide funding for new Testing Station in Eshowe</p>				•
To assist with natural disasters	To provide Fire Services for uMlalazi Municipal area	<ul style="list-style-type: none"> <li>Provide funding for vehicles</li> <li>Provide funding for rural satellite fire stations (Mbongolwane and KwaBulawayo)</li> </ul>				•
	Investigate the possible impact of Climate Change on the Municipal Area	<ul style="list-style-type: none"> <li>Investigate and develop Green Building Policy</li> </ul>				•

### KPA 3: LOCAL ECONOMIC DEVELOPMENT

GOAL	STRATEGY	ACTION	2013/14	2014/2015	2015/2016	DEPARTMENT
To facilitate economic growth and development, in order to create decent employment and to fight the war against poverty	Functional LED	<ul style="list-style-type: none"> <li>Capacitate Planning and Development Department: -</li> <li>LED Manager</li> </ul> <p>Administrative Clerk</p>				•
	To contribute towards the development of the Tourism Sector	<ul style="list-style-type: none"> <li>Implement LED Plan including tourism initiatives</li> </ul> <p>Prepare Rural Tourism Development Plan</p>				•
	To market the Municipal area to attract investment	<ul style="list-style-type: none"> <li>Prioritize infrastructure to tourism areas to allow access and services</li> </ul> <p>Review Spatial Development Framework (SDF)</p>				•

	To promote skills development that is aligned with local economic growth	Identify educational institutions to align training in terms of LED and support skills development				•
	To contribute towards the development of the Agricultural Sector	<ul style="list-style-type: none"> <li>Establish partnership with the Dept of Agriculture Support Agricultural Forums</li> </ul>				•
	To promote industrial development	<ul style="list-style-type: none"> <li>Prepare Industrial Development Plan for Gingindlovu</li> <li>Implement Industrial Development Plan for Gingindlovu Market and attract industrial investment in Eshowe</li> </ul>				•
	To promote the involvement of Women, Youth and the Disabled in LED projects and activities	Facilitate skills development, with assistance from Dept Economic Development and Tourism, of people on database				•
	To promote Small Medium and Micro Enterprises ("SMME") Development	<ul style="list-style-type: none"> <li>Create SMME Database</li> <li>Facilitate Training and Capacity Building to SMMEs on Municipal Database</li> <li>Provision of facilities for SMMEs</li> </ul> Facilitate the identification of Linkages between products and markets				•
	To promote the sustainability and protection of the municipalities natural resources	<ul style="list-style-type: none"> <li>Land Use Management Scheme for Rural Areas</li> <li>Mapping and protection, through Rural Land Use Management Scheme, of all environmentally sensitive areas</li> <li>Review Environmental Management Plan</li> <li>Implement Environmental Management Plan</li> <li>Implement Weed Eradication Programme</li> </ul> Participate in the management of coast via the Coastal Management Group				•

KPA 4: SOCIAL DEVELOPMENT						
GOAL	STRATEGY	ACTION	2013/14	2014/2015	2015/2016	DEPARTMENT
To ensure that social development is catered for	To facilitate that the needs of child-headed households and vulnerable children are addressed	<ul style="list-style-type: none"> <li>Provide support through the HIV/AIDS Desk</li> <li>Strengthen communication with the Department of Social Development - embrace Sukuma Sakhe</li> </ul>				•
	To plan and support the acceleration of sustainable human settlements	<ul style="list-style-type: none"> <li>Review Housing Sector Plan</li> <li>Implement Housing Sector Plan</li> </ul>				•
	To facilitate the development of the youth and early childhood development, with particular focus on Education & Training	<ul style="list-style-type: none"> <li>Identify, through the Youth Desk, indigent youth candidates for skills training and provide financial support</li> <li>Facilitate provision of Early Childhood Development Facilities with Department Social Development</li> </ul>				•
	To facilitate the social development of marginalised groups	<ul style="list-style-type: none"> <li>Support gender &amp; disabled equity through Disability Desk</li> <li>Participate in Disability Forum</li> </ul>				•
	To facilitate adequate provisioning and management of community facilities at appropriate locations	Implement Caretakership Programme for all community facilities, as part of EPWP / CWP for job creation				•
	To facilitate the implementation of the Operation Sukuma Sakhe Programme (flagship programme)	<ul style="list-style-type: none"> <li>Facilitate the roll-out of the Sukuma Sakhe programme to all wards, through the identification of "special" projects.</li> <li>Ensure war rooms are operational and supported by departments</li> </ul>				•
	To provide for the Cemetery Needs in the Municipal Area	Facilitate with UDM the development of the Mandawe Regional Cemetery				•

• KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

GOAL	STRATEGY	ACTION	2013/14	2014/2015	2015/2016	DEPARTMENT
Good Governance	To reduce Risk to the Organisation	<ul style="list-style-type: none"> <li>Implement Risk Plan</li> </ul> Risk Management training				•
	To improve inter-departmental and external (including IGR) communication	<ul style="list-style-type: none"> <li>Prepare Communication Plan, including IGR</li> <li>Implement Communication Plan</li> <li>Investigate the feasibility of (1) merging the telephone switchboard and the emergency control room; and (2) the establishment of a Call Centre.</li> <li>Implement Feasibility Study Outcomes for (1), (2) and (3) above</li> <li>Investigate feasibility of establishing a Document Management System</li> </ul> Implement Feasibility Study Outcomes for establishing a Document Management System				•
	To ensure that the Municipality is striving towards meeting its vision and goals	<ul style="list-style-type: none"> <li>Review IDP</li> <li>Review SDF</li> <li>Review Community Based Plan</li> </ul> IDP and Budget Steering Committee align to budget process plan				•
	To ensure a corruption-free organisation	<ul style="list-style-type: none"> <li>Implement Anti-Fraud, Anti-Corruption and Whistle-Blowing Policies</li> </ul> Ensure effective and efficient functioning of Municipal Public Accounts Committee (MPAC)				•
Public Participation	Ensure that public participation structures are established, capacitated and functional	<ul style="list-style-type: none"> <li>Invite Stakeholders and establish IDP Forums</li> <li>Revive Ward Committees</li> </ul> Ensure Ward Committees are functional (include training and development)				•
	To ensure Customer Satisfaction	Conduct Customer Satisfaction Survey				•
International Relation/s	To ensure the continuation of the twinning agreement with Geel Municipality (Belgium) and Songdal Municipality (Norway)	<ul style="list-style-type: none"> <li>Support knowledge-sharing, best-practices, skills transfer &amp; training in the following areas: <ul style="list-style-type: none"> <li>Finance &amp; Planning</li> <li>Fire Fighting</li> <li>Education</li> <li>LED</li> <li>Cultural Heritage</li> </ul> </li> </ul> Support twinning with Songdal Municipality (Norway)	?			•

KPA 6: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT						
GOAL	STRATEGY	ACTION	2013/14	2014/2015	2015/2016	DEPARTMENT
Ensure the Municipal Revenue Streams are optimised	Ensure effective and efficient cash collection from customers	<ul style="list-style-type: none"> <li>Improve debt collection system – particularly for Gingindlovu and Mtunzini, by providing a dedicated official for this function</li> <li>Improve cashier functionality at Gingindlovu Office</li> </ul>				<ul style="list-style-type: none"> <li></li> </ul>
	Installation of pre-paid meters for electricity	<ul style="list-style-type: none"> <li>Replacement of existing conventional meters</li> </ul>	R250000	R250000	R250000	<ul style="list-style-type: none"> <li>On going process</li> </ul>
	Appropriate development of municipal-owned land	<ul style="list-style-type: none"> <li>Prepare Land Use Register for Municipal-owned properties</li> </ul>				<ul style="list-style-type: none"> <li></li> </ul>
	Ensure effective and efficient cash collection from waste transfer stations	<ul style="list-style-type: none"> <li>Effective waste control to reduce uncontrolled dumping and improve recovery of revenue</li> </ul>				<ul style="list-style-type: none"> <li></li> </ul>
	Correct allocation of service charges for residential properties vs business	<ul style="list-style-type: none"> <li>Investigate illegal business activity on residential properties</li> <li>Corrected application of tariff of charge to properties</li> <li>Town Planning to ascertain and administer activities in terms of PDA</li> </ul>				<ul style="list-style-type: none"> <li></li> </ul>
	Review contracts that enhance revenue collection	<ul style="list-style-type: none"> <li>Review TMT contract to ensure sustainable and cost effective</li> <li>Review Conlog system</li> </ul>	X			<ul style="list-style-type: none"> <li></li> </ul>
	Investigate new Revenue resources	<ul style="list-style-type: none"> <li>Conduct study in respect of installation of parking metres</li> <li>Council land encroachments to be investigated</li> <li>Advertising and business licences</li> </ul>				<ul style="list-style-type: none"> <li></li> </ul>
Ensure effective and efficient Municipal budgeting and reporting mechanisms, procedures and processes	Ensure effective and efficient Municipal budgeting and reporting mechanisms, procedures and processes	<ul style="list-style-type: none"> <li>Submit monthly reports in compliance with National Treasury Reporting Requirements</li> </ul>	DONE?			<ul style="list-style-type: none"> <li></li> </ul>
Supply chain management	To strengthen the Supply Chain Unit and Processes	<ul style="list-style-type: none"> <li>Review SCM Policy</li> <li>Compliance with Statutory Reporting requirements</li> <li>Provide training and skills development to officials involved in procurement processes</li> </ul>				<ul style="list-style-type: none"> <li></li> </ul>

## 6.2 Breakdown of Operating Expenditure and Capital Expenditure aligned to the IDP

### 6.2.1 Operating Expenditure

Details	2012/2013 (R)	2013/2014 (R)	2014/2015 (R)	2015/2016 (R)
Community halls maintenance (Rural)	200 000	250 000	250 000	704 640
Care taking: rural buildings	0	200 000	200 000	400 000
Youth development	400 000	400 000	400 000	600 000
Early childhood development	200 000	200 000	200 000	400 000
Local Economic development (LED)	2 761 193	2 485 840	2 899 240	3 231 780
Poverty alleviation	1 450 000	1 500 000	1 439 420	3 026 360
Rural fire prevention	281 000	300 000	300 000	350 000
Sports development	500 000	400 000	400 000	800 000
HIV Relief	400 000	422 800	500 000	800 000
Work Creation projects	950 000	1 000 000	1 000 000	1 500 000
Rural grounds maintenance	100 000	200 000	200 000	500 000
Rural roads and causeways	5 256 000	4 612 800	5 108 400	5 604 000
Increase in Eskom supply	4 000 000	5 537 010	5 537 010	0

### 6.2.2 Capital Expenditure

Hereunder follows a breakdown of the capital expenditure aligned to the goals and action plans of the IDP:

MIG Allocations for 2013/2014 Financial Year

Description		Amount (R)
<u>Community Halls</u>		
Sqwanjana community hall	Ward 13	1 000 000
<u>Sports fields</u>		
Kwayabu sportsfield	Ward 15	1 500 000
Kwabulawayo Sportsfield	Ward 24	500 000
<u>Roads/Causeways</u>		
Esifubeni Road	Ward 10	2 500 000
Kangela Road Eshowe	Ward 11	3 500 000
KDS/Sunnydale Link Road	Ward 12	1 595 100
Rehabilitation of Osborn Road	Ward 11	2 654 990
Naickerville/Sandlwana High School intersection (D134)	Ward 18	1 151 400
Nogobhoza Road	Ward 15	2 502 120
Ntenjane Causeway and Road	Ward 13	2 000 000
Gciza Road	Ward 17	1 584 120
KDS bus route road rehabilitation	Ward 12	1 500 000
Retention		1 100 000
<u>Other</u>		
New Testing Station	Ward 11	700 000
Rehabilitation of Eshowe Landfill Site	Ward 11	3 527 270
<b>Total</b>		<b>27 315 000</b>



# 7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

7.1 Hereunder follows the key financial indicators dealing with borrowing management, safety of capital, revenue and creditor management

. Hereunder follows the key financial indicators dealing with borrowing management, safety of capital, revenue and creditor management											
Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.2%	0.6%	0.7%	0.6%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.3%	1.0%	1.2%	1.1%	1.0%	1.0%	1.0%	0.9%	0.8%	0.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	58.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	4.4%	2.2%	2.2%	3.4%	2.3%	2.3%	2.3%	2.5%	2.5%	2.4%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	1.3	1.4	1.9	1.8	2.3	2.3	2.3	2.3	2.2	2.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.3	1.4	1.9	1.8	2.3	2.3	2.3	2.3	2.2	2.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.6	1.1	0.7	1.0	1.0	1.0	1.0	1.0	0.9
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		105.9%	92.3%	90.6%	96.7%	95.3%	95.3%	95.3%	99.1%	97.3%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			105.8%	92.9%	90.6%	96.7%	95.3%	95.3%	95.3%	99.1%	97.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	16.9%	17.3%	14.1%	12.4%	13.1%	13.1%	13.1%	12.2%	10.7%	9.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		417.0%	282.9%	122.5%	597.9%	283.1%	283.1%	283.1%	165.7%	170.9%	284.7%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000)	4.7%	2.9%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.8%	32.1%	31.5%	30.2%	28.3%	28.3%	28.3%	30.5%	30.6%	30.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	43.1%	39.1%	38.8%	36.7%	34.6%	34.6%		37.1%	37.1%	36.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.0%	3.5%	6.1%	4.4%	5.1%	5.1%		3.0%	2.9%	3.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.8%	4.9%	5.0%	4.9%	4.4%	4.4%	4.4%	4.5%	4.3%	4.1%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	57.9	48.7	95.6	70.6	70.6	70.6	70.6	77.6	84.6	93.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	28.8%	29.2%	26.3%	25.5%	27.3%	27.3%	27.3%	23.5%	20.5%	18.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure)	0.4	0.4	0.7	0.1	0.2	0.2	0.2	0.3	0.3	0.1

## 7.2 Hereunder follows the Financial indicators for Revenue by source and Expenditure by Type

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue By Source</b>																
Property rates		2 752	2 752	2 752	2 752	2 752	2 752	2 752	2 752	2 752	2 752	2 752	2 752	33 019	34 683	36 598
Property rates - penalties & collection charges		69	69	69	69	69	69	69	69	69	69	69	69	825	867	910
Service charges - electricity revenue		4 720	4 720	4 720	4 720	4 720	4 720	4 720	4 720	4 720	4 720	4 720	4 720	56 636	63 767	72 904
Service charges - refuse revenue		755	755	755	755	755	755	755	755	755	755	755	755	9 058	9 692	10 371
Rental of facilities and equipment		106	106	106	106	106	106	106	106	106	106	106	106	1 267	1 333	1 398
Interest earned - external investment		92	92	92	92	92	92	92	92	92	92	92	92	1 100	1 100	1 100
Fines		300	300	300	300	300	300	300	300	300	300	300	300	3 604	3 788	3 974
Licences and permits		296	296	296	296	296	296	296	296	296	296	296	296	3 551	3 732	3 915
Transfers recognised - operationa		7 908	7 908	7 908	7 908	7 908	7 908	7 908	7 908	7 908	7 908	7 908	7 908	94 900	102 899	111 389
Other revenue		230	230	230	230	230	230	230	230	230	230	230	230	2 760	2 851	2 942
Gains on disposal of PPE		17	17	17	17	17	17	17	17	17	17	17	17	200	200	200
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>206 921</b>	<b>224 913</b>	<b>245 700</b>
<b>Expenditure By Type</b>																
Employee related costs		5 260	5 260	5 260	5 260	5 260	5 260	5 260	5 260	5 260	5 260	5 260	5 260	63 115	68 920	74 437
Remuneration of councillors		1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	13 615	14 521	15 491
Debt impairment		114	114	114	114	114	114	114	114	114	114	114	114	1 364	1 433	1 503
Depreciation & asset impairmen		712	712	712	712	712	712	712	712	712	712	712	712	8 547	8 983	9 423
Finance charges		58	58	58	58	58	58	58	58	58	58	58	58	698	657	689
Bulk purchases		3 448	3 448	3 448	3 448	3 448	3 448	3 448	3 448	3 448	3 448	3 448	3 448	41 373	47 993	55 672
Contracted services		1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	19 073	20 913	23 323
Transfers and grants		259	259	259	259	259	259	259	259	259	259	259	259	3 110	3 319	3 554
Other expenditure		4 664	4 664	4 664	4 664	4 664	4 664	4 664	4 664	4 664	4 664	4 664	4 664	55 970	58 147	61 557
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>206 864</b>	<b>224 885</b>	<b>245 648</b>
<b>Surplus/(Deficit)</b>		<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>57</b>	<b>28</b>	<b>52</b>
Transfers recognised - capita		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capita		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>57</b>	<b>28</b>	<b>52</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>57</b>	<b>28</b>	<b>52</b>

7.3 Hereunder follows the measurable performance objectives for revenue and operating expenditure by vote

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue by Vote</b>																
Vote 1 - EXECUTIVE AND COUNCIL		7 601	7 601	7 601	7 601	7 601	7 601	7 601	7 601	7 601	7 601	7 601	7 601	91 210	99 971	111 316
Vote 2 - BUDGET AND TREASURY OFFICE		221	221	221	221	221	221	221	221	221	221	221	221	2 656	2 702	2 749
Vote 3 - CORPORATE SERVICES		81	81	81	81	81	81	81	81	81	81	81	81	970	996	1 677
Vote 4 - PLANNING AND DEVELOPMENT		125	125	125	125	125	125	125	125	125	125	125	125	1 505	1 520	1 636
Vote 5 - HEALTH		165	165	165	165	165	165	165	165	165	165	165	165	1 980	2 101	2 830
Vote 6 - COMMUNITY AND SOCIAL SERVICES		272	272	272	272	272	272	272	272	272	272	272	272	3 268	3 438	3 623
Vote 7 - HOUSING		11	11	11	11	11	11	11	11	11	11	11	11	134	140	147
Vote 8 - PUBLIC SAFETY		409	409	409	409	409	409	409	409	409	409	409	409	4 903	5 038	5 583
Vote 9 - SPORTS AND RECREATION		239	239	239	239	239	239	239	239	239	239	239	239	2 864	2 951	3 836
Vote 10 - WASTE MANAGEMENT		1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	13 169	13 874	14 684
Vote 11 - ROAD TRANSPORT		679	679	679	679	679	679	679	679	679	679	679	679	8 151	8 827	9 505
Vote 12 - ELECTRICITY		6 343	6 343	6 343	6 343	6 343	6 343	6 343	6 343	6 343	6 343	6 343	6 343	76 111	83 355	88 113
Vote 13 - AIR TRANSPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - WORKSHOP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>206 921</b>	<b>224 913</b>	<b>245 700</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - EXECUTIVE AND COUNCIL		3 968	3 968	3 968	3 968	3 968	3 968	3 968	3 968	3 968	3 968	3 968	3 968	47 621	51 367	59 046
Vote 2 - BUDGET AND TREASURY OFFICE		941	941	941	941	941	941	941	941	941	941	941	941	11 291	12 057	12 789
Vote 3 - CORPORATE SERVICES		632	632	632	632	632	632	632	632	632	632	632	632	7 584	8 139	9 360
Vote 4 - PLANNING AND DEVELOPMENT		277	277	277	277	277	277	277	277	277	277	277	277	3 320	3 451	3 690
Vote 5 - HEALTH		339	339	339	339	339	339	339	339	339	339	339	339	4 070	4 614	5 560
Vote 6 - COMMUNITY AND SOCIAL SERVICES		272	272	272	272	272	272	272	272	272	272	272	272	3 269	3 520	3 786
Vote 7 - HOUSING		11	11	11	11	11	11	11	11	11	11	11	11	135	142	149
Vote 8 - PUBLIC SAFETY		1 585	1 585	1 585	1 585	1 585	1 585	1 585	1 585	1 585	1 585	1 585	1 585	19 026	20 344	22 110
Vote 9 - SPORTS AND RECREATION		858	858	858	858	858	858	858	858	858	858	858	858	10 292	10 943	12 399
Vote 10 - WASTE MANAGEMENT		1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	15 946	17 173	18 290
Vote 11 - ROAD TRANSPORT		1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	12 603	13 846	15 081
Vote 12 - ELECTRICITY		5 932	5 932	5 932	5 932	5 932	5 932	5 932	5 932	5 932	5 932	5 932	5 932	71 183	78 730	82 791
Vote 13 - AIR TRANSPORT		1	1	1	1	1	1	1	1	1	1	1	1	12	13	14
Vote 14 - WORKSHOP		43	43	43	43	43	43	43	43	43	43	43	43	512	546	583
<b>Total Expenditure by Vote</b>		<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>206 864</b>	<b>224 885</b>	<b>245 648</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>57</b>	<b>28</b>	<b>52</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>57</b>	<b>28</b>	<b>52</b>

7.4 Hereunder follows the measurable performance objectives for capital by vote

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	<b>1</b>															
Vote 1 - EXECUTIVE AND COUNCIL				930	50		25						-	1 005	37	45
Vote 2 - BUDGET AND TREASURY OFFICE				40	89	48	22	52	42				-	293	242	325
Vote 3 - CORPORATE SERVICES				560	410	460	485		215	200			-	2 330	1 070	14 025
Vote 4 - PLANNING AND DEVELOPMENT					80								-	80	-	-
Vote 5 - HEALTH				15									-	15	5	10
Vote 6 - COMMUNITY AND SOCIAL SERVICES							100			300	20		-	420	1 272	6 320
Vote 7 - HOUSING													-	-	-	-
Vote 8 - PUBLIC SAFETY				480	35		300				5		-	820	865	507
Vote 9 - SPORTS AND RECREATION				590	300	350	300		400	400	300		-	2 640	3 517	2 260
Vote 10 - WASTE MANAGEMENT		500	500	990	500	545	527		500				-	4 062	200	770
Vote 11 - ROAD TRANSPORT		532	737	1 926	2 401	2 931	3 403	600	4 835	4 100	1 282	1 131	4 631	28 510	26 010	21 020
Vote 12 - ELECTRICITY			100	315	798	60	25	25	45	45	25		-	1 438	2 293	2 227
Vote 13 - AIR TRANSPORT													-	-	-	-
Vote 14 - WORKSHOP				260									-	260	-	-
Capital multi-year expenditure sub-total	2	1 032	1 337	6 106	4 663	4 394	5 188	677	6 037	5 045	1 632	1 131	4 631	41 874	35 510	47 509
Total Capital Expenditure	2	1 032	1 337	6 106	4 663	4 394	5 188	677	6 037	5 045	1 632	1 131	4 631	41 874	35 510	47 509

## 8. OVERVIEW OF BUDGET – RELATED POLICIES

8.1 This section gives a broad overview of the budget policy framework and highlights the amended policies to be approved by Council Resolution.

NAME OF POLICY	LAST DATE OF APPROVAL	NEW ADOPTION DATE	STATUS
Credit Control & Debt Collection Policy	30/05/2001 (Special Exco 252/00/01)	25/05/2010	Amended
Tariff Policy	01/06/2007 (Exco 01/06/07)		Reviewed
Property Rates Policy	05/09/2005 (Exco 95/05/00)	25/05/2010	Amended
Investment Policy	07/11/2005 (Exco 157/05/06)		Reviewed
Risk Management Policy	07/07/2008 (Exco 18/5/09)		Reviewed
Indigent Support Policy	01/03/2004 (Exco 337/05/04)	25/05/2010	Amended
Supply Chain Management Policy	(Exco 27/12/13)	04/07/2012	Reviewed
Budget Policy	Min. no UMC 12/12/13	05/10/2012	New

The above mentioned policies can be reviewed on the Council's official website, and can also be obtained on request from the Council's offices.

8.2 The following amendments of the policies are tabled for consideration:

### 8.2.1 Rates Policy

#### 8.2.1.1 CHAPTER 2-LEVYING OF RATES

##### CLAUSE 9 (EXEMPTIONS AND REBATES FROM RATES)

The following clause currently reads as follows:

9.3 The following categories of owners of residential properties shall additionally receive the following rebates on the rates due in respect of such properties after deducting the rebate applicable to residential properties:

9.3.2 \*Property owners who are both the permanent occupants and the sole owners of the property concerned and who belong to one of the following categories:

(a) A ratepayer older than 65 years of age;

(b) A bona fide pensioner under 65 years of age;

(c ) A ratepayer under 65 years of age, but has been retired from employment by reason of illness or disability; and

d) whose total household income is as follows:

(i) a single person receiving a total income of R5 100,00 per month or less

100% of the rates based on the rateable value up to R75 000.00 and 40% of the rates based on the rateable value above R75 000.00.

(ii) a married couple receiving a joint monthly income of R6 360,00 per month or less.

(iii) a single person receiving a total income of R5101.00 and more per month.

100% of the rates based on the rateable value up to R75 000.00 and 20% of the rates based on the rateable value above R75 000.00.

(iv) a married couple receiving a joint monthly income of R6361 and more per month.

To be replaced by:

9.3 The following categories of owners of residential properties shall additionally receive the following rebates on the rates due in respect of such properties after deducting the rebate applicable to residential properties:

9.3.2 \*Property owners who are both the permanent occupants and the sole owners of the property concerned and who belong to one of the following categories:

(a) A ratepayer older than 60 years of age;

(b) A bona fide pensioner under 60 years of age;

(c ) A ratepayer under 60 years of age, but has been retired from employment by reason of illness or disability; and

d) whose total household income is as follows:

(i) a single person receiving a total income of R5 390,00 per month or less

100% of the rates based on the rateable value up to R75 000.00 and 40% of the rates based on the rateable value above R75 000.00.

(ii) a married couple receiving a joint monthly income of R6 720,00 per month or less.

(iii) a single person receiving a total income of R5 391.00 and more per month.

100% of the rates based on the rateable value up to R75 000.00 and 20% of the rates based on the rateable value above R75 000.00.

(iii) a married couple receiving a joint monthly income of R6 721.00 and more per month.

## 9. OVERVIEW OF BUDGET ASSUMPTIONS

9.1 In January 2010, Cabinet adopted 12 outcomes within which to frame public service delivery priorities and targets. Cabinet ministers have signed performance agreements linked to these outcomes. More detailed delivery agreements have since been developed to extend targets and responsibilities to national and provincial departments, agencies and municipalities.

The municipality is expected to take the 12 outcomes into consideration when reviewing the IDP and developing the annual Budget for the 2013/2014 MTREF. Hereunder follows the 12 outcomes, together with examples of areas where the municipality have a role to play in either contributing directly to the realization of the outcomes or facilitating the work of national and provincial departments in realizing them.

### *12 Outcomes of Government-role of Local Government*

No	Description	Role of Local Government
1	Improve the quality of basic education	<ul style="list-style-type: none"> <li>Facilitate the building of new schools by:               <ul style="list-style-type: none"> <li>- Participating in needs assessments</li> <li>- Identifying appropriate land</li> <li>- Facilitating zoning and planning processes</li> </ul> </li> <li>Facilitate the eradication of municipal service backlogs in schools by extending appropriate bulk infrastructure and installing connections</li> </ul>
2	Improve health and life expectancy	<ul style="list-style-type: none"> <li>Many municipalities perform health functions on behalf of provinces</li> <li>Strengthen effectiveness of health services by specifically enhancing TB treatments and expanding HIV and AIDS prevention and treatments.</li> <li>Municipalities must continue to improve Community Health Service infrastructure by providing clean water, sanitation and waste removal services.</li> </ul>
3	All people in South Africa protected and feel safe	<ul style="list-style-type: none"> <li>Facilitate the development of safer communities through better planning and enforcement of municipal by laws.</li> <li>Direct the traffic control function towards policing high risk violations-rather than revenue collection</li> <li>Metro police services should contribute by:               <ul style="list-style-type: none"> <li>- Increasing police personnel</li> <li>- Improving collaboration with SAPS</li> <li>- Ensuring rapid response to reported crimes</li> </ul> </li> </ul>
4	Decent employment through inclusive economic growth	<ul style="list-style-type: none"> <li>Create an enabling environment for investment by streamlining planning application processes.</li> <li>Ensure proper maintenance and rehabilitation of essential services infrastructure.</li> <li>Ensure proper implementation of the EPWP at municipal level</li> <li>Design service delivery processes to be labour intensive</li> <li>Improve procurement systems to eliminate corruption and ensure value for money</li> <li>Utilize community structures to provide services</li> </ul>
5	A skilled and capable workforce to support inclusive growth	<ul style="list-style-type: none"> <li>Develop and extend intern and work experience programmes in municipalities.</li> <li>Link municipal procurement to skills development initiatives</li> </ul>



6	An efficient, competitive and responsive economic infrastructure network	<ul style="list-style-type: none"> <li>• Ring-fence water, electricity and sanitation functions so as to facilitate cost-reflecting pricing of these services</li> <li>• Ensure urban spatial plans provide for commuter rail corridors, as well as other modes of public transport</li> <li>• Maintain and expand water purification works and waste water treatment works in line with growing demand</li> <li>• Cities to prepare to receive the devolved public transport function</li> <li>• Improve maintenance of municipal road networks.</li> </ul>
7	Vibrant, equitable and sustainable rural communities and food security	<ul style="list-style-type: none"> <li>• Facilitate the development of local markets for agricultural produce</li> <li>• Improve transport links with urban centres so as to ensure better economic integration</li> <li>• Promote home production to enhance food security</li> <li>• Ensure effective spending of grants for funding extension of access to basic services.</li> </ul>
8	Sustainable human settlements and improved quality of household life	<ul style="list-style-type: none"> <li>• Cities must prepare to be accredited for the housing function.</li> <li>• Develop spatial plans to ensure new housing developments are in line with national policy on integrated human settlements</li> <li>• Participate in the identification of suitable land for social housing.</li> <li>• Ensure capital budgets are appropriately prioritized to maintain existing services and extend services.</li> </ul>
9	A response and, accountable, effective and efficient local government system	<ul style="list-style-type: none"> <li>• Adopt IDP planning processes appropriate to the capacity and sophistication of the municipality</li> <li>• Implement the community work programme</li> <li>• Ensure ward committees are representative and fully involved in community consultation processes around the IDP, budget and other strategic service delivery issues.</li> <li>• Improve municipal financial and administrative capacity by implementing competency norms and standards and acting against incompetence and corruption.</li> </ul>
10	Protection and enhancement of environmental assets and natural resources	<ul style="list-style-type: none"> <li>• Develop and implement water management plans to reduce water losses.</li> <li>• Ensure effective maintenance and rehabilitation of infrastructure</li> <li>• Run water and electricity saving awareness campaigns</li> <li>• Ensure proper management of municipal commonage and urban open spaces</li> <li>• Ensure development does not take place on wetlands.</li> </ul>

11	A better South Africa, a better and safer Africa and world	<ul style="list-style-type: none"> <li>• Role of Local Government is fairly limited in this area. Must concentrate on:</li> <li>- Ensuring basic infrastructure is in place and properly maintained.</li> <li>- Creating an enabling environment for investment.</li> </ul>
12	A development-orientated public service and inclusive citizenship	<ul style="list-style-type: none"> <li>• Continue to develop performance monitoring and management systems.</li> <li>• Comply with legal financial reporting requirements</li> <li>• Review municipal expenditures to eliminate wastage</li> <li>• Ensure councils behave in ways to restore community trust in Local Government.</li> </ul>

9.2 The following budget assumptions have a major influence on the annual budget:

- It will take some time for the economic upturn to flow through to increased municipal revenues and better cash flows.
- The revenue stream of the Council will stay under pressure for the next three to four quarters in 2013.
- The increased high cost to move waste from the refuse transfer stations, to the regional refuse site.
- The excessive increases in the tariffs of bulk electricity purchases in the next three budget years, are putting pressure on the Council's draft operating expenditure budget.
- The increases in property rates and other tariffs are likely to be counter productive, resulting in higher levels of non payment and increased bad debts.

## 10. Overview of Budget funding

### 10.1 Medium term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Description	2013/2014 Medium Term Revenue & Expenditure Framework					
	Budget Year 2013/2014	%	Budget Year 2014/2015	%	Budget Year 2015/2016	%
Property rates	33 844 420	16	35 550 600	16	37 507 490	15
Service charges	65 694 600	32	73 459 300	33	83 275 000	34
Investment revenue	1 100 000	0	1 100 000	0	1 100 000	0
Transfers recognised-operational	94 900 480	46	102 898 610	46	111 389 000	45
Other own revenue	11 381 780	6	11 904 520	5	12 428 830	5
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>206 921 280</b>	<b>100</b>	<b>224 913 030</b>	<b>100</b>	<b>245 700 320</b>	<b>100</b>
<b>Total Operating Expenditure</b>	<b>206 863 930</b>		<b>224 885 380</b>		<b>245 648 070</b>	
<b>Surplus/(Deficit)</b>	<b>56 700</b>		<b>27 650</b>		<b>52 250</b>	

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as electricity, and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc)

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirement;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004)(MPRA), and
- The ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2013/2014 MTREF on the different revenue categories are:

Revenue category	2013/2014 proposed tariff increase	2014/2015 proposed tariff increase	2015/2016 proposed tariff increase	2013/2014 additional revenue for each 1% tariff increase	2013/2014 additional revenue owing to % tariff increase	2013/2014 Total Budgeted revenue
Property rates	5.7%	5.1%	4.9%	338 444	2 267 575	33 844 420
Solid waste	10%	10%	10%	90 584	996 424	9 058 400
Electricity	15.8%	11.8%	14.6%	566 362	8 948 520	56 636 200
<b>Total</b>				<b>995 390</b>	<b>12 212 519</b>	<b>99 539 020</b>

Revenue to be generated from property rates is R33 844 420 in the 2013/2014 financial year and increase to R37 507 490 by 2015/2016 which represents 16 per cent of the operating revenue base of the municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The Municipality is still in a process of further data verification and validation relating to the valuation roll. In addition there are still outstanding objections, although significant progress was made in dealing with these objections in the 2012/2013 financial year. It is anticipated that the process will be concluded by the end of 2013.

Service charges relating to electricity, and refuse removal constitutes the second biggest component of the revenue basket of the municipality totaling R65 694 600 for the 2013/2014 financial year and increasing to R83 275 000 by 2015/2016. For the 2013/2014 financial year service charges amount to 32 per cent of the total revenue base and grows by 1 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.

Operational grants and subsidies amount to R94 900 480, R102 898 610 and R111 389 000 for each of the respective financial years of the MTREF, or 46, 46 and 45 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are the biggest component of the revenue basket.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R1 100 000, R 1 100 000 and R1 100 000 for the respective three financial years of the 2013/2014 MTREF. It needs to be noted that theses allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R56 700, R27 650 and R52 250 in each of the financial years.

## 10.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2013/2014 medium-term capital programme:

Vote Description  R thousands	2013/2014 Medium Term Revenue & Expenditure Framework							
	Budget Year 2012/2013	%	Budget Year 2013/2014	%	Budget Year +1 2014/2015	%	Budget Year +2 2015/2016	%
<b>Funded By:</b>								
National Government	39 543 627	80	38 374 000	92	35 510 086	100	47 509 000	100%
Provincial Government	1 067 708	2						
Transfers recognized –capital	40 611 335	82	38 374 000	92	35 510 086	100	47 509 000	100%
Public contributions & donations.								
Borrowing internally generated funds	9 097 596	18	3 500 000	8	0		0	
<b>Total Capital Funding</b>	<b>49 708 931</b>	<b>100</b>	<b>41 874 000</b>	<b>100</b>	<b>35 510 086</b>	<b>100</b>	<b>47 509 000</b>	<b>100%</b>

Capital grants and receipts equates to 100% of the total funding source.

The following table is a breakdown of the capital transfers and grants:

Description  R thousand	2009/10	2010/11	2011/12	2012/2013	2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Capital Transfers and Grants</b>							
<b>National Government:</b>	30 530	22 488	38 577	39 543	38 374	35 510	47 509
Municipal Infrastructure Grant (MIG)	24 710	16 910	29 028	29 170	27 315	24 353	36 000
Equitable Share	5 819	5 578	9 549	10 373	11 059	11 157	11 509
<b>Provincial Government:</b>				1 068			
Other capital transfers/grants [insert description] Establishment of pound				1 068			
<b>District Municipality:</b>	47						
<i>Uthungulu District Municipality</i>	47						
<b>Other grant providers:</b>	15 970	922	660				
<i>Department Of Sports and Recreation</i>							
<i>Project Consolidate</i>	261						
<i>Library Services</i>	1 451						
<i>Department Of Minerals &amp; Energy</i>	1 596	922	660				
<i>Department of Economic Development</i>	7 172						
<i>Development Bank of South Africa</i>	5 490						
<b>Total Capital Transfers and Grants</b>	<b>46 547</b>	<b>23 410</b>	<b>39 237</b>	<b>40 611</b>	<b>38 374</b>	<b>35 510</b>	<b>47 509</b>

### 10.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category:
- Clear separation of capital and operating receipts from government, which also enables cah from 'Ratepayers and other" to be provided for as cash flow based on actual performance. In other words the actual collection rate of billed revenue, and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

### Budgeted cash flow statement

	Audited 2009/2010	Audited 2010/2011	Audited 2011/2012	Forecast 2012/2013	Budget 2013/2014	Budget 2014/2015	Budget 2015/2016
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>							
<u>Receipts</u>							
Ratepayers and other	85 536	89 715	100 619	95 873	109 721	117 497	121 107
Government-operating	46 110	57 516	69 774	99 464	95 350	102 899	111 389
Government-capital	34 364	21 843	30 244	35 844	27 315	24 353	36 000
Interest	896	1 074	1 667	1 100	1 100	1 100	1 100
<u>Payments</u>							
Suppliers and employees	-117 488	-149 621	-173 203	-193 681	-197 347	-212 175	-231 251
Finance charges	-149	-643	-770	-712	-698	-657	-689
Transfers and grants	-335	-399	-2 572	-2 718	-3 110	-3 319	-3 554
<b>NET CASH FROM (USED) OPERATING ACTIVITIES</b>	<b>48 934</b>	<b>19 485</b>	<b>25 760</b>	<b>35 170</b>	<b>32 331</b>	<b>29 698</b>	<b>34 102</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>							
<u>Receipts</u>							
Proceeds on disposal of PPE	228	730	2 513	200	200	200	200
Decrease (increase) in non-current debtors	23	-499		-41	-3	-3	69
Decrease (increase) other non-current debtors							
Decrease (increase) in non-current investments							
<u>Payments</u>							
Capital assets	-46 546	-21 543	-24 658	-39 767	-31 068	-30 184	-35 632
<b>NET CASH FROM (USED) INVESTING ACTIVITIES</b>	<b>-46 295</b>	<b>-21 312</b>	<b>-22 145</b>	<b>-39 608</b>	<b>-30 871</b>	<b>-29 987</b>	<b>-35 363</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>							
<u>Receipts</u>							
Borrowing long term/refinancing	3 209	2 575					
Increase(decrease) in consumer deposits	48	203	119	230	160	190	174
<u>Payments</u>							
Repayment of borrowing	-79	-329	-343	-343	-343	-343	-343
<b>NET CASH FROM (USED) INVESTING ACTIVITIES</b>	<b>3 178</b>	<b>2 449</b>	<b>-224</b>	<b>-113</b>	<b>-183</b>	<b>-153</b>	<b>-169</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>5 817</b>	<b>622</b>			<b>1 277</b>	<b>-442</b>	<b>-1 430</b>
Cash/cash equivalents at the year begin	-2 307	3 510	3 391	7 522	2 971	4 248	3 806
Cash/cash equivalents at the year end	3 510	4 132	7 522	2 971	4 248	3 806	2 376

The above table shows that cash and cash equivalents of the municipality decreases between the 2009/2010 and 2012/2013 financial year, moving from a cash balance of R3 510 000 to a balance of R2 971 000 with the 2012/2013 forecast.

Various cost efficiencies and savings had to be realized during this period to ensure the municipality could meet its operational expenditure commitments. For the 2013/2014 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term.

#### 10.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (application > cash and investments) is indicative of non compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyze trends to understand the consequences, eg. The budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

#### Cash backed reserves /accumulated surplus reconciliation

	Audited 2009/2010	Audited 2010/2011	Audited 2011/2012	Forecast 2012/2013	Budget 2013/2014	Budget 2014/2015	Budget 2015/2016
<b>Cash and investment available</b>							
Cash/cash equivalents at the year end	3 510	4 132	7 522	2 971	4 248	3 806	2 376
Other current investments >90 days	15 440	17 025	30 025	16 174	14 940	15 936	17 158
Non current assets-investments	1	1	1	1	1	1	1
<b>Total cash and investments available</b>	<b>18 951</b>	<b>21 158</b>	<b>37 549</b>	<b>14 682</b>	<b>19 189</b>	<b>19 743</b>	<b>19 535</b>
<b>Application of cash and investments</b>							
Unspent conditional grants	14 111	16 032	5 927	5 611	4 564	4 792	4 552
Unspent Borrowing	3 755	5 828	5 828	5 142	4 799	4 456	4 113
Statutory requirements (VAT)	386	1 547	513	900	1 100	1 000	750
Other working capital requirements	-8 166	-13 248	-12 578	-14 534	-17 877	-16 984	-14 677
Other provisions	603	820	23 524	830	5 087	5 894	6 575
Reserves to be backed by cash/investments	11 839	13 519	11 651	14 438	15 268	15 879	17 130
<b>Total application of cash and investments</b>	<b>22 528</b>	<b>24 498</b>	<b>34 865</b>	<b>12 387</b>	<b>12 941</b>	<b>15 037</b>	<b>18 443</b>
<b>Surplus/(Shortfall)</b>	<b>-3 577</b>	<b>-3 340</b>	<b>2 683</b>	<b>2 295</b>	<b>6 248</b>	<b>4 706</b>	<b>1 092</b>

From the above table it can be seen that the cash and investments available total R19 189 000 in the 2013/2014 financial year and progressively increase to R19 535 000 by 2015/2016, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2012/2013 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants. For the 2013/2014 financial year provision has been made for this liability.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year-end obligations. The liability in this regard totaled for the 2013/2014 financial year.
- Against other provisions an amount R5 087 000 has been provided for the 2013/2014 financial year and this increases to R6 575 000 by 2015/2016. This liability is informed by, amongst others, the commuting of staff leave.
- A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

It can be concluded that the municipality's level of non cash-backing progressively improved over the period 2009/2010 to 2012/2013. The 2013/2014 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. However, from a practical perspective it would not be possible to eradicate this deficit in one financial year hence the phased approach over the MTREF. Nevertheless from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

## 10.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are obtained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

### Funding measurement

Description	2009/10	2010/11	2011/2012	2012/2013	2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Forecast	Budget Year 2013/14	Budget Year 2014/15	Budget Year 2015/16
<b>Funding measures</b>							
Cash/cash equivalents at the year end - R'000	3 510	4 132	7 522	2 971	4 248	3 806	2 376
Cash + investments at the yr end less applications - R'000	(3 577)	(3 340)	7321	5 830	6 248	4 706	1 092
Cash year end/monthly employee/supplier payments	0.4	0.4	0.7	0.2	0.3	0.3	0.1
Surplus/(Deficit) excluding depreciation offsets: R'000	(4 713)	(4 647)	1 491	57	57	28	52
Service charge rev % change - macro CPIX target exclusive	17.8%	16.1%	(10.8%)	(6.0%)	4.9%	3.5%	4.8%
Cash receipts % of Ratepayer & Other revenue	105.8%	92.9%	90.6%	95.3%	99.1%	97.3%	91.1%
Debt impairment expense as a % of total billable revenue	0.0%	0.0%	2.2%	1.4%	1.4%	1.3%	1.2%
Capital payments % of capital expenditure	100.0%	92.0%	96.9%	80.0%	74.2%	85.0%	75.0%
Borrowing receipts % of capital expenditure (excl. transfers)	58.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations					0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	(7.4%)	23.4%	(14.2%)	0.0%	(4.6%)	(4.3%)	(2.3%)
Long term receivables % change - incr(decr)	(2.3%)	52.1%	(1.9%)	0.0%	0.2%	0.2%	(4.7%)
R&M % of Property Plant & Equipment	2.1%	1.4%	2.3%	2.3%	1.4%	1.4%	1.5%
Asset renewal % of capital budget	4.0%	5.8%	7.5%	34.6%	36.8%	11.3%	13.4%

### 10.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirement.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet the MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2013/2014 MTREF shows R4 248 000, R3 806 000 and R2 376 000 for each respective financial year.

### 10.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in section 10.4. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.



### 10.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been improving for the period 2009/2010 to 2011/2012, moving from (0.4) to 0.2 with the adopted 2012/2013 MTREF. As part of the 2013/2014 MTREF the municipality's cash position causes the ratio to move downwards to 0.1 for the outer years. The municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually towards two months coverage. This measure will have to be carefully monitored going forward.

### 10.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are sufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2013/2014 MTREF the indicative outcome is a surplus of R57 000, R28 000 and R52 000.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

### 10.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target.

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3-6 per cent). The result is intended to be approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 4.9, 3.5 and 4.8 per cent for the respective financial years of the 2013/2014 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 5.7 per cent, with the increase in electricity at 15.8 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

### 10.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyze the underlying assumed collection rate for the MTREF to determine the relevance and creditability of the budget assumptions contained in the budget. It can be seen that the outcome is at 99.1, 97.3 and 91.1 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 90 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

### 10.5.7 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 10 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

#### 10.5.8 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

#### 10.5.9 Consumer debtors change (Current and non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. These are 2 measures shown for this factor; the change in current debtors and the change in long term receivable, both from the Budgeted Financial Position. Both measure show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

#### 10.5.10 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because that a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

#### 10.5.11 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

### 10.6 Particulars of rates, refuse, electricity tariffs and other charges:

When the rates, electricity and refuse tariffs and other charges were revised, the following were taken into account:

- The wage agreements with unions.
- Other input costs of services provided by the Council
- The need to ensure financial sustainability
- Local economic conditions
- The affordability of services, taking into consideration the Council's indigent policy
- Relevant policy developments in the different sectors.

#### 10.6.1 Hereunder follows the tariffs for consideration:

##### PROPERTY RATES

Categories	Ratio in relation to residential property
Residential Property	1 : 1
Commercial and Industrial Property	1 : 1
Agricultural Property	1 : 0.25
Public Service Infrastructure	1 : 0.25

### TARIFFS FOR PROPERTY RATES

Category	2012/2013 c/R	2013/2014 c/R
Residential	1.11	1.17
Commercial and Industrial	1.11	1.17
Government	1.11	1.17
Municipal	1.11	1.17
Clubs/Churches	1.11	1.17
Agricultural	0.2775	0.2928
Public service infrastructure	0.2775	0.2928

### PROPERTY RATES – REBATES AND REVENUE FOREGONE (2013/2014)

	% Rebates	Total
<b>Rebates</b>		
Clubs/Churches	100	1 021 716
Pensioners	40	67 971
Pensioners (earning above the stipulated threshold)	20	311 252
Municipal Properties	100	2 239 875
Indigents	100	663 983
3 <sup>rd</sup> Year phasing in	25	16 040
Early Settlement	20	404 222
Small Holdings with agricultural activities	50	36 595
		<b>4 761 654</b>
<b>Revenue Foregone</b>		<b>1 889 903</b>
First 30% of the M/V for PSI		2 710 220
1 <sup>st</sup> R75 000 non-ratable on residential		752 385
1 <sup>st</sup> R15 000 non-ratable on vacant residential		5 352 507
<b>TOTAL</b>		<b>10 114 162</b>

ELECTRICITY SUPPLY

SECTION A: CHARGES FOR ELECTRICITY

		2012/2013	2013/2014
1.	Eshowe Consumers		
1.1	Domestic consumers, churches and old age homes		
1.1.1	Monthly service charge (which charge excludes any kilowatt hour of electricity consumed)	191.20	221.30
1.1.2	Consumption charge		
	<b>INCLINING BLOCK TARIFF SYSTEM</b>		
	0 – 50 Kwh	0.75	0.87
	51 – 350 Kwh	0.93	1.08
	351 – 600 Kwh	1.24	1.44
	601 > Kwh	1.27	1.47
1.2	Businesses, clubs, boarding houses, hotels, schools and hostels, Government / NPA		
1.2.1	Monthly service charge (which charge excludes any kilowatt hour of electricity consumed)		
	For a single-phase connection per month	244.60	283.60
	For a three-phase connection per month	700.90	811.60
1.2.2	Consumption charge	1.49	1.73
1.3	Large Consumers		
1.3.1	Monthly Service charge (which charge excluded any kilowatt hour of electricity consumed)	399.60	462.70
	Consumption charge for KVA	162.24	187.88
1.3.2	Consumption charges	0.66	0.77
2.	<u>King Dinuzulu Consumers</u>		
2.1	Monthly Service Charge		
	Domestic	191.20	221.30
	Businesses	700.90	811.60
2.2	Consumption Charge		
	Domestic		
	<b>INCLINING BLOCK TARIFF SYSTEM</b>		
	0 – 50 Kwh	0.75	0.87
	51 – 350 Kwh	0.93	1.08
	351 – 600 Kwh	1.24	1.44
	601 > Kwh	1.27	1.47
	Businesses	1.49	1.73
3.	<u>User where Prepaid Meters have been installed</u>		
3.1	Consumption charge –Domestic		
	<b>INCLINING BLOCK TARIFF SYSTEM</b>		
	0 – 50 Kwh	0.75	0.87
	51 – 350 Kwh	0.93	1.08
	351 – 600 Kwh	1.24	1.44
	601 > Kwh	1.45	1.68

3.2	Consumption charge-Commercial (single phase)	1.49	1.73
3.3	Consumption charge-Commercial (three phase)		
3.4	Low Cost Housing		
	<b>INCLINING BLOCK TARIFF SYSTEM</b>		
	0 – 50 Kwh	0.75	0.84
	51 – 350 Kwh	0.93	1.04
	351 – 600 Kwh	1.07	1.19
	601 > Kwh	1.14	1.27
4.	<u>Connection fees for the supply of Electricity to Building Contractors</u>		
4.1	Connection fees other than 3 phase		
4.1.1	Connection fees (including disconnection)	394.40	456.70
4.1.2	Plus all kilowatt hours consumed at Maximum period of supply 6 months	1.31	1.50
4.2	3 Phase connections		
4.2.1	Connection fee (including disconnection)	773.30	881.60
4.2.2	Plus all kilowatt hours consumed at no maximum period of supply 6 months	1.35	1.54
5.	<u>Availability Charge</u>		
5.1	An availability charge is payable in respect of all properties, which can be yet or not served by the electricity reticulation network.	194.10	224.70

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## SECTION B: CONSUMER DEPOSITS

1.	<u>Domestic Supply</u>	2012/2013	2013/2014
	Amateur sporting clubs Charitable institutions Churches Government dwellings and institutions Private dwelling houses Retirement and care centres Townhouses Residential Flats	3 400.00	3950.00
2.	<u>Low Cost Housing Schemes</u>		
2.1	Where valuation of property is below R75 000,00 (receives free refuse)		
2.2	Where valuation of property exceeds R75 000,00	350.00	385.00
3.	<u>Households With Pre Paid Electricity</u>	350.00	385.00
3.1	<u>Properties Occupied by Tenants</u> Deposit to be equivalent to three times the refuse charge		

4.	<u>Commercial Supply</u>		
4.1	Deposit to be based on three times the average monthly account over a period of three months of a similar business or three times the average account over a period of three months of the previous consumer		
4.2	Should the business to be operated be of the same type or per discretion of the Chief Financial Officer or his assignee with a minimum of R 4 400,00		
4.3	Where the minimum deposit is more than R 5000.00, the applicant be allowed to provide a bank guarantee for the required deposit.		

5.	<u>Commercial Consumers with Pre Paid Electricity</u>		
5.1	Refuse removal service at least one day per week	530.00	585.00
5.2	Refuse removal service for a six day removal per week	1 340.00	1470.00

# SECTION C: SUNDRY ELECTRICITY CHARGES

		2012/2013	2013/2014
1.	<b>Testing Fee</b>		
1.1	Special fee for testing installation at consumers request	147.50	170.80
1.2	Meter test <ul style="list-style-type: none"> <li>Prepayment meter testing fee</li> <li>Single phase conventional meter</li> <li>400V Three phase conventional meter</li> <li>11 kv meter</li> </ul>	376.00 502.80 648.90 Cost +10%	435.40 582.30 751.40 Cost +10%
1.3	Inspection fee, after failure upon first test		
1.4	Fee for checking meter reading (Which fee will be refunded should the reading be found to be incorrect)	243.30	281.80
2.	<b>Disconnection Charge</b>		
2.1	Final Notice of demand		
2.1.1	Properties within the Municipality	177.00	205.00
2.1.2	Properties outside the Municipality (Plus 32c /km)	177.00	205.00
2.1.3	Where the disconnection is performed by a private contractor at the request of the Manager Financial Services	354.00	410.00
3.	<b>Reconnection Charge</b> (penalties for services that may be disconnected if not paid on due date)		
3.1	For non-payment of account	177.00	205.00
3.2	For other reasons, per each occasion	177.00	205.00
3.4	Connection charge – after office hours	520.00	600.00
4.	<b>SERVICE CONNECTION FEES (NEW TARIFFS)</b>		
4.1	Single phase prepayment connection ( 60 amp )	1 737.00	1 825.00
4.2	Single phase prepayment connection ( Sunnysdale 20 amp )	890.00	900.00
4.3	Upgrade single phase prepayment connection ( 20 amp - 60 amp ) ( KDS / Sunnysdale )	11 008.00	11 560.00
4.4.	Alternative single phase prepayment connection including ready board and cable	3 552.00	3 730.00
4.5	Single phase meter conversion from conventional to prepayment(Domestic and Small Business )	1 185.00	1 245.00
4.6	Three phase meter conversion from conventional to three phase prepayment (Domestic and Small Business)	4 072.00	4 235.00
4.7	Single phase conventional connection (see council resolution)	1 407.00	1 480.00
4.8	Second single phase prepayment connection on the same or subdivided premises	13 742.00	14 430.00
4.9	Single phase meter conversion from conventional to three phase conventional (Domestic and Small Business )	14 458.00	15 180.00
4.10	Single phase meter conversion from conventional to three phase prepayment meter (Domestic and Small Business )	15 890.00	16 685.00

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4.11	Domestic conversion from single to three phase maximum demand on connection (100Amp)	16 506.00	17 330.00
4.12	Domestic three phase conventional connection with a maximum demand of 100Amp	16 020.00	16 820.00
4.13	Domestic three phase prepayment connection	4 190.00	4 360.00
4.14	New 80A single phase supply or conversation from 60A to 80A	4 730.00	4 970.00
4.15	Non-domestic three phase connection with a maximum demand of 100Amp	19 733.00	20 720.00
4.16	Conversion from 80A single phase prepayment to 3 phase prepayment connection	10 996.00	11 435.00
4.17	Three phase connection with a max demand greater than 60 Amp (100A Eshowe ) All cost plus 10% of all equipment necessary plus the cost of the infrastructure contributions for additional electricity above that being existing or allowed based on the zoning and area of the premises		
5.	Tampering Fee	1770.80	2050.00
6.	Pre Paid Electricity Identification Card		
7.	Moving / Relocation of a prepayment meter	626.70	725.00
8.	Replacement of damaged or burnt-out prepayment meter single phase	707.80	820.00
9.	Replacement of damaged or burnt-out prepayment meter three phase	2772.00	3210.00
10.	Certificate of Compliance – revisit fee	468.20	545.00

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## WASTE MANAGEMENT

### SECTION A: REFUSE REMOVAL FEES

1.	<i>ESHOWE</i>	2012/2013	2013/2014
1.1	Domestic (removal service one day per week) Per refuse receptacle, per month	116.00	127.60
1.1.1	Properties Occupied by tenants: refuse charges to be based on a number of tenants (per property)		
1.2	Removal of refuse from business and other premises		
1.2.1	Per refuse receptacle for a service of at least one day per week, per month	176.90	194.60
1.2.2	Per refuse receptacle for a six days per week clearance, per month	446.50	491.30
1.3	King Dinuzulu Users Residential Business	116.00 176.90	127.60 194.60
1.4	Mass container removal service four days per week,		
1.4.1	per container, per month	3 734.50	4108.00
1.4.2	Mass container removal service four days per container where the consumer supplies the container for – The first 12 months Thereafter per month	661.50 3 734.50	727.70 4108.00
1.4.3	2 Mass Containers + 4 Receptacle	8 821.30	9703.50
1.5	Schools		
1.5.1	Removal Service one day per week,	178.90	196.80
1.5.2	Per refuse receptacle for a six days per week clearance, per month at schools	446.50	491.30
1.6	Hire of garden refuse container "Skip" for 2 day period	379.40	350.00
1.7	Removal of builders' rubble from properties per load of 2,3m or part hereof	628.70	690.00
1.8	Per polythene plastic bags	2.20	2.50
1.9	One bag of polythene black plastic bags (20 bags)	37.90	40.00
1.10	Making use of transfer station		
1.10.1	Businesses (Including garden services)	179.00 per ton	200.00
1.10.2	Builders rubble	179.00 per ton	200.00
1.11	Lot Clearing per lot		Cost + 10%

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2.	<i>MTUNZINI</i>	2012/2013	2013/2014
	Removal of household, domestic or business refuse from all properties / for 2 removals per week, per month or part thereof -		
2.1	Domestic including clubs	116.00	127.60
2.2	Hotels and supermarkets	723.40	797.00
2.3	Other food handling businesses	446.50	491.10
2.4	Non-food handling businesses	176.90	194.60
2.5	Schools	178.90	196.80
2.6	Caravan parks for every 10 sites or part thereof	121.90	134.10
2.7	For every additional removal per load or part hereof	176.90	194.60
2.8	General Residential II sites per unit	121.90	134.10
2.9	Prawn farm	176.90	194.60
2.10	Use of refuse dump by instances outside municipal area, per month or part thereof	1 333.60	1467.00
2.11	Removal of refuse other than household or domestic, per load thereof	178.90	196.80
2.12	Removal of building rubble, per load thereof	628.70	691.60
2.13	Removal of Garden refuse per black bag	23.90	26.30
2.14	Making use of transfer station		
2.14.1	Businesses (Including garden services)	179.00 per ton	200.00
2.14.2	Builders rubble	179.00 per ton	200.00
2.15	Lot Clearing per lot	Cost +10%	Cost +10%
3.	<i>GINGINDLOVU</i>		
3.1	Commercial per month	176.90	194.60
3.1.1	Commercial (Bulk) per month	136.30	149.90
3.2	Residential per month	116.00	127.60
3.3	Garden Refuse per black bag or part thereof	23.90	26.30
3.4	Rubble Removal per load or part thereof	628.70	691.60
3.5	Lot Clearing per lot	Cost +10%	Cost+10%

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1.	<b>ADVERTISEMENTS</b>	2012/2013	2013/2014
	<b>Display of Advertisements</b>  General advertisements of events, meetings. Billboards, directional signage and any other signage determined by the Council may be subject to the services of an Advertising Consultant Company.  Application Fee for all advertising	R100.00	R105.00
1.1	Posters and Flags ( <u>per poster or flags per month</u> ): - General Welfare Organisations Political (per announced election period)	R15.00 R1.00 R1.00	R16.00 R1.00 R1.00
1.2	Per banner per month	R120.00	R127.00
1.5	Billboards – per Bill Board annual charge irrespective if display period is less than one year	R15 000.00	R15 825.00
1.6	Deposit of 50% of quantities displayed - such deposit shall be retained by Council to cover costs incurred <u>if adverts are not removed within the determined time period as stipulated in the Advertising Bylaws.</u>	50% of total	
2.	<b>HANDBILLS</b>		
2.1	For the permission to distribute handbills within the Municipality, Per month	R600.00	R633.00
2.2	For the permission to distribute handbills with the Municipality, Per year	R4000.00	R4220.00
3.	<b>COMMUNITY HALLS</b>		
3.1	<b>HIRE FEE FOR COMMUNITY HALLS</b>		
3.1.1	General functions including weddings, concerts, contests, dances, exhibitions, tournaments and any other function which derives a financial benefit	R2000.00	R2110.00
3.1.2	Religious Services	R200.00	R211.00
3.1.3	Public meetings	R200.00	R211.00
3.1.4	Hire of Community Halls facilities by non-residents for any purposes	Normal rate +50%	
3.1.5	Political Meetings	R250.00	R264.00
3.1.6	For any other purpose approved by the Council per day	R1200.00	R1266.00
3.1.7	Hire of Premier Conference Center	R1000.00	R1055.00
3.2	<b>DEPOSIT FEE FOR COMMUNITY HALLS</b>		
3.2.1	General functions including weddings, concerts, contests, dances, exhibitions, tournaments and any other function which derives a financial benefit	R3500.00	R3693.00
3.2.2	Religious Services	R200.00	R211.00
3.2.3	Public Meetings	R200.00	R211.00
3.2.4	For any other purpose approved by the Council per day	R800.00	R844.00
3.2.5	Political Meetings	R500.00	R528.00
<p>The right to determine the period of hire is reserved by Council and the Municipal Manager is delegated discretionary authority on interpretation of applications and relevant tariffs to be charged.</p> <p>Deposits to be paid in advance in cash or bank guaranteed cheque. Temporary bookings will be accepted subject to 50% of the required deposit being paid in advance and the balance payable 24 hours prior to the event. All events or meeting must be concluded by 12:00 midnight and no sleeping in the any Council premises is permitted.</p>			

4.	<u>TOWN PLANNING</u>	2012/2013	2013/2014
4.1	Consideration for approval of subdivisions/consolidations		
4.1.1	Basic fee	R1100.00	R1160.00
4.1.2	Additional fee, per subdivision (Remainder to be considered a subdivision)	R110.00	R116.00
4.1.3	Amendment of subdivisions in process	R220.00	R232.00
4.1.4	Application for Registration of right of way servitudes/long term leases – Administration Fee (Note – This excludes legal fees)	R220.00	R232.00
4.1.5	Application for phasing/cancellation of approved layout plans – Administration Fee	R1650.00	R1740.00
4.2.	Application for relaxation of building line and/or side and rear spaces in terms of Town Planning Clauses (per application)	R700.00	R739.00
4.3.	Rezoning Applications		
4.3.1	Rezoning of unused public open spaces in line with Council's Policy (NOTE – Advertisement, Closure and subdivision/consolidation fees would still apply)	NIL	NIL
4.3.2	Other rezonings:		
	(i) Less than 1 ha	R2200.00	R2321.00
	(ii) 1 hectare and over but less than 5 hectares	R2750.00	R2901.00
	(iii) 5 hectares and over but less than 10 hectares	R4000.00	R4220.00
	(iv) 10 hectares and over	R5500.00	R5803.00
4.4.	Zoning certificates	R50.00	R53.00
4.5.	Special Consent		
4.5.1	Consent to operate home industry without additional employment opportunities (Category A)	R550.00	R580.00
4.5.2	All other consent use applications (Category B)	R1100.00	R1160.00
4.6.	Removal of Restrictive Conditions of Title	R1100.00	R1160.00
4.7.	Closure of Public Streets / Open Spaces – Administration Fee	R260.00	R274.00
4.8.	Administration of DFA Applications:		
	(i) Less than 1 ha	R2200.00	R2321.00
	(ii) 1 hectare and over but less than 5 hectares	R2750.00	R2901.00
	(iii) 5 hectares and over but less than 10 hectares	R4000.00	R4220.00
	(iv) 10 hectares and over	R5500.00	R5803.00
4.9.	Development outside of scheme areas		
	(i) Less than 5 hectares	R3300.00	R3482.00
	(ii) 5 hectares and over but less than 10 hectares	R5000.00	R5275.00
	(iii) 10 hectares and over	R7700.00	R8124.00
4.10.	Public Notice		
4.10.1	Notices in the legal section	R2200.00	R2321.00
4.10.2	Notices in the body of the paper	R5500.00	R5803.00
4.11.	Hearings	Cost plus 10%	
4.12.	Fines – as per Section 75 and 89 of the Planning and Development Act		
4.12.1	Fines as per Section 75	As per court order	
4.12.2	Additional penalties in accordance with Section 76	As per court order	

4.12.3	Section 89 Civil Penalty	10-100% of value of illegal building/construction, etc.	
<p>In light of the introduction of the new Planning and Development Act in April 2010, the tariffs have had to be revised so as to respond to the new planning processes included therein. In that regard, all proposals now read as per the tariff. In the instance that multiple applications are lodged for consideration of Council, individual tariffs will be applicable to each type of application included on the application form.</p> <p>Applications previously known as "consent uses" will now be known as Formal Authority throughout the Councils jurisdiction. This is in line with the PDA. Applications previously known as "Special Consent" will now be known as Consent throughout the Council's jurisdiction. This is in line with the PDA.</p>			
5.	<u>ENCROACHMENT – SIGNS</u>	2012/2013	2013/2014
	<u>Street Encroachment</u> The charges for street encroachment shall be payable annually in advance <u>per sign</u> as follows:-		
5.1	Verandah posts, each	R330.00	R348.00
5.2	Verandah, ground floor, per m <sup>2</sup> or part thereof and including Cantilevers overhanging the pavement or footpaths, Per m <sup>2</sup> or part thereof	R25.00	R26.00
5.3	Sign boards on, or overhanging the footpaths or pavement, each	R500.00	R528.00
5.4	Building Rubble, sand and the like left on the pavement per day or part thereof	R120.00	R127.00
5.5	Display of signs for hotels, boarding houses, guest houses and Bed and breakfast accommodation (Maximum 4 signs per establishment), <u>per sign per annum</u>	R450.00	R475.00
5.6	Any other signage excluded from 5.5	R200.00 Per month	R211.00
6.	<u>MISCELLANEOUS SERVICES</u>		
	The following fee shall be paid to the Manager Financial Services in advance for the production of documents, provision of certificates and extract information from records, etc.		
6.1	Search fee per account, document or file produced for inspection or duplicate accounts made out	R50.00	R53.00
6.2	Certified copy of extract from Council's minutes and or hearing per page	R50.00	R53.00
6.3	Rates certificates: - Manual RCC Electronic RCC	R55.00	R300.00 R150.00
6.4	Another certificate for each certificate	R55.00	R58.00
6.5	Standard and other bylaws per copy Extract of bylaws per page or part thereof	R80.00 R20.00	R84.00 R21.00
6.6	Valuation Roll per town	R750.00	R791.00
6.7	Valuation Roll per folio	R20.00	R21.00
6.8	Voters Roll per folio	R20.00	R21.00
6.9	General Photocopy fees	R7.00	R7.40
6.10	Clearing of vacant lots	R1000.00	R1055.00
6.11	Tender Documents – Unless specifically prescribed	R400.00	R422.00
6.12	Any occupier or owner of a stand within the uMlalazi Municipality will, subject to non-compliance or default to a statutory notice directing him/her to cut and clear a stand, have the stand cut by the uMlalazi Municipality and the same costs placed on his/her consumer account	R550.00	R580.00

7.	<u>LIBRARIES</u>	2012/2013	2013/2014
7.1	Overdue library material excluding videos	R4.00	R4.20
7.2	Overdue video material	R5.00	R5.30
7.3	Overdue library books including talking books	R4.00	R4.20
7.4	Overdue DVD material	R6.00	R6.30
7.5	Overdue Technicon Books	R6.00	R6.30
7.6	Lost book identity card	R40.00	R42.00
7.7	Lost patron card	R40.00	R42.00
7.8	Lost Technicon card	R40.00	R42.00
7.9	2 <sup>nd</sup> notification letter / post card	R20.00	R21.00
7.10	Photocopies of Library material per page	R0.50	R0.50
8.	<u>PROMOTION OF ACCESS TO INFORMATION</u>		
8.1	Application Fee	R50.00	R53.00
8.2	For every A 4 photocopy relating to the promotion of access to Information Act	R4.00	R4.20
8.3	For a copy in a computer readable format: - Compact Disk Copy of an audio record	R65.00 R65.00	R69.00 R69.00
8.4	To search for the record for disclosure for each hour excluding the first hour	R40.00	R42.00
8.5	The actual postal fee is payable when a copy of a record must be posted to a requester		
9.	<u>PUBLIC TOILETS</u>		
9.1	Usage of public toilet per person	R3.00	R3.10
9.2	Collection of water for cooking; washing cars and other per litre	R1.10	R1.20
10.	<u>SWIMMING POOL - SUNNYDALE</u>		
10.1	Day ticket - Children	R5.00	R5.30
10.2	Day ticket - Adults	R7.50	R7.90
	Season ticket - Children	R50.00	R53.00
10.3	Season ticket - Adults	R75.00	R79.00
11.	<u>GARDEN REFUSE AND BUILDING RUBBLE TARIFFS</u>		
11.1	Garden Refuse - per ton load or part thereof	R55.00	R58.00
11.2	Commercial - per ton load	R200.00	R211.00
11.3	Building Rubble - per ton load	R200.00	R211.00
11.4	Mixed domestic waste - per ton load	R95.00	R100.00
11.5	Timber/tree stumps - per ton load	R200.00	R211.00
12.	<u>BUILDING PLAN TARIFFS</u>		
12.1	<u>NEW WORKS</u>		
12.1.1	For each new building or additions to existing buildings per square metre		
12.1.2	For the first 20 m <sup>2</sup>	R200.00	R210.00
12.1.3	Each additional 10 m <sup>2</sup> or part thereof up to 5 000 m <sup>2</sup>	R120.00	R130.00
12.1.4	Each additional 10 m <sup>2</sup> or part thereof more than 5 000 m <sup>2</sup> and up to 15 000 m <sup>2</sup>	R50.00	55.00
12.1.5	Each additional 10 m <sup>2</sup> or part thereof more than 15 000 m <sup>2</sup>	R30.00	R35.00

12.2	<b><u>AS BUILT OR AMENDED PLANS</u></b>		
12.2.1	For as built plans, 25% of existing submission fee, plus full tariff for additional new works	25% of existing fee plus full tariff	25% of existing fee plus full tariff
12.3	<b><u>INTERNAL ALTERATIONS TO EXISTING BUILDINGS</u></b>		
12.3.1	Any form of internal alterations to existing buildings of any nature not defined as "as built" or amended plans" (i.e. plans passed and structures which have already passed occupation requirements)		
12.3.2	Fixed tariff : Structures up to 500 m²	R300.00	R320.00
12.3.3	Structures up to 5 000 m²	R600.00	R630.00
12.3.4	Structures exceeding 5 000 m²	R950.00	R1000.00
12.3.5	For the renewal of plans which have expired	50% of existing submission fee	
12.3.6	For swimming-pools	R300.00	R320.00
12.3.7	For boundary walls / Fences	R300.00	R320.00
12.3.8	For any other plan submitted other than described above, a fixed tariff of	R400.00	R420.00
12.3.9	For a permit for minor structures in terms of Act 103 of 1977, a fixed tariff of	R200.00	R210.00
13.	<b><u>PRODUCTION OF MAPS/BUILDING PLAN</u></b>		
13.1	<b><u>OZALID COPIER</u></b>		
13.1	A1 paper	R35.00	R40.00
13.2	<b><u>HP COPIERS BLACK/WHITE PRINTS</u></b>		
13.2.1	A4	R20.00	R20.00
13.2.2	A3	R25.00	R25.00
13.2.3	A2 & A1	R35.00	R40.00
13.2.4	A0	R55.00	R60.00
13.3	<b><u>HP COPIERS COLOUR PRINTS</u></b>		
13.3.1	A4	R30.00	R30.00
13.3.2	A3	R45.00	R50.00
13.3.3	A2 & A1	R130.00	R140.00
13.3.4	A0	R180.00	R190.00
13.4	<b><u>LAMINATE COPIES</u></b>		
13.4.1	A2 & A1	R45.00	R50.00
13.4.2	A0	R65.00	R70.00
13.5	<b><u>A0 SCANNER, COPIER &amp; PRINTER</u></b>		
13.5.1	A0 paper	R40.00	R40.00
13.5.2	A1 paper	R25.00	R25.00
13.5.3	A0 plastic	R80.00	R85.00
13.5.3	A1 plastic	R45.00	R50.00
14.	<b><u>ENGINEERING INSPECTIONS AND APPLICATIONS</u></b>		
14.1	P.T.O. Applications	R350.00	R370.00
14.2	Sewer Inspections	R200.00	R210.00
14.3	Encroachments (per side)	R180.00	R190.00
14.4	Site visit for boundary lines (per peg)	R180.00	R190.00
15.	<b><u>ROAD CROSSING RE-INSTATEMENTS</u></b>		
15.1	Premix surfacing per m²	R110.00	R120.00
15.2	Base (G2 crusher run) per m²	R120.00	R130.00

16.	<b>CEMETERY TARIFFS</b>	2012/2013	2013/2014
16.1	<b>TARIFFS FOR RESIDENTS</b>		
16.1.1	Burial for stillborn/infant	R660.00	R700.00
16.1.2	Burial for person under the age of 12 years	R770.00	R810.00
16.1.3	Burial for person over the age of 12 years	R1000.00	R1055.00
16.1.4	Burial Double deep	R1700.00	R1795.00
16.1.5	Burial Casket	R1700.00	R1795.00
16.1.6	Double grave	R2000.00	R2110.00
16.1.7	Niche – Wall of Remembrance	R330.00	R350.00
16.2	<b>TARIFFS FOR NON-RESIDENTS</b>		
16.2.1	Burial for stillborn/infant	R1550.00	R1635.00
16.2.2	Burial for person under the age of 12 years	R2300.00	R2430.00
16.2.3	Burial for person over the age of 12 years	R4300.00	R4540.00
16.2.4	Double grave	R6500.00	R6860.00
16.2.5	Niche – Wall of Remembrance	R550.00	R580.00
16.3	<b>GENERAL</b>		
16.3.1	Opening a grave for exhumation	R8000.00	R8440.00
16.3.2	Permission to erect memorial stone	R280.00	R295.00
16.3.3	Proof must be handed in that the <u>deceased</u> was resident in the Council's area or jurisdiction for a continuous period exceeding 3 months		
16.3.4	Burial plot sizes: adult – 2,5m x 1,5m x 1,8m deep		
16.3.5	Burial plot sizes: child – 1,5m x 1,0 x 1,8m deep		
16.3.6	Burial aperture sizes: adult – 2,2m x 0,9m x 1,8m deep		
16.3.7	Burial aperture sizes: child – 1,2m x 0,7m x 1,8m		

#### TAXI RANK TARIFFS

1.	Permit Per Annum	R100.00	R105.00
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#### POUND TARIFFS: -

No	Type of fee or cost	Amount of fee or cost due and payable to Pound Master	Amount of fee or cost due and payable to Council
1	Transportation Fee	The kilometer tariff for the vehicle which, in the discretion of the pound keeper, is reasonably necessary to transport the relevant animal to the pound, as determined by the Automobile if South Africa (AA) from time to time.	Nil
2	Pound fee / tariffs	a. R30.00 per day for any pig, sheep or goat b. R70.00 per day for any other animal	a. R15.00 per day for any pig, sheep or goat b. R50.00 per day for any other animal
3	Other costs (All other actual costs including tending, dipping or spraying, wound dressing, medication, veterinarian and any other costs required)	Actual cost	Nil



#### 10.7 Debtor's collection levels

The Finance Department endeavors to improve the collection levels of the outstanding debtor accounts by implementing the following:

- To execute termination of electricity supply by looking at the total outstanding account on the premises. This means that the electricity supply will be terminated if property rates is outstanding on the property
- To block the sale of pre paid electricity by looking at the total outstanding account, including property rates on the premises.
- An improved structure for arrangements and extensions of time for payment of outstanding debt.
- Quarterly meetings with the Council's attorneys to discuss problem areas on handed over cases.

#### 10.8 Planned savings and efficiencies over the medium term revenue and expenditure framework

The following savings and efficiencies were discussed at management and Executive Committee level:

- Cut down on nice to have items in the operating expenditure and capital budgets.
- Cut down on unnecessary subsistence and travel to workshops and meetings that do not add value to the Council's operations.
- Managers of departments are instructed to improve the control of the overtime of their staff.
- The implementation plans in terms of the IDP must be developed and implemented in house by the relevant departments. Avoid the appointment of consultants.
- The Manager: Protection Services must ensure the productive utilization of the speeding camera/cameras
- To enhance the revenue on waste management, the Manager: Engineering services must identify which consumers are placing a burden on the waste transfer station.

#### 10.9 Investments

At present the Council does not have investments to fund the operating or capital expenditure. The investment portfolio for the Council is investments for conditional grants received from National Treasury.

#### 10.10 Planned proceeds from the lease of assets

Rental Facilities		
Description	Budgeted Amount for 2012/2013	Budgeted Amount for 2013/2014
Hire of Halls & Equipment	103 370	109 060
Hire of Building(Sportsclub)	8 070	8 060
Mtunzini Sugar Cane Farm	410 140	433 100
Rent – Sugar Cane Lease (Eshowe)	422 510	412 900
Rent – Sundry	127 980	135 150
Leases – Land Ging	76 330	105 800
Rent Received (Staff housing)	59 320	62 580
<b>Total Budgeted for Rental Facilities</b>	<b>1 207 720</b>	<b>1 266 650</b>

10.11 Planned use of bank overdraft

- The Council's primary bank account is with First National Bank in Eshowe
- The overdraft facility at the bank is R5 000 000.
- It is envisaged that use will be made of the bank overdraft facility during the 2013/2014 budget year, due to payment of large amounts for capital projects while waiting for transfer of government grants

10.12 New borrowing proposed to be raised.

There is no capital project in the 2013/2014 budget year that requires external funding.

11. Expenditure on allocations and grant programmes

11.1 The expenditure on allocation and grant programmes are as follows:

Details	Operating Budget 2013/2014	Capital Budget 2013/2014
<b>NATIONAL GOVERNMENT</b>		
<b><u>EQUITABLE SHARE</u></b>		
Rates Fund Admin Contribution	34 721 820	
International Relations	100 000	
Free Refuse Service	1 363 100	
Sports Field - Security	558 320	
Rural Roads/Causeways	4 612 800	
Sports Development (Flagship)	400 000	
Cultural Development (Flagship)	100 000	
Work Creation Projects (Flagship)	1 000 000	
Free Electricity i.t.o. National Gov Policy	1 216 700	
Humanitarian Indigent Support (Flagship)	500 000	
HIV Relief Fund (Flagship)	422 800	
Youth Development Programmes (Flagship)	400 000	
Rural Educational Enhancement	200 000	
Disaster Relief	550 000	
Community Support Programme (Flagship)	200 000	
Led Projects	2 485 840	
Ceremonial Events	100 000	
Commemorative Celebrations	100 000	
Community Halls Maintenance (Rural)	250 000	
Solid Waste Projects	2 626 550	

Rural Grounds Maintenance	200 000	
Poverty Alleviation (Flagship)	1 500 000	
Councillors Remuneration Grant	7 164 000	
Caretaking – Rural Buildings	200 000	
Depreciation Relief	6 163 060	
Increase in Eskom Supply	5 537 010	
Animal Pound Facility	620 000	
Rural Fire Prevention	300 000	
Ward Committee Remuneration	780 000	
Youth Business Advisory Centre	200 000	
Electricity Meters Audit	250 000	
Capital Projects Contribution		11 059 000
Eshowe Bus/Taxi Rank Contribution		3 500 000
<b>Total Equitable Share</b>	<b><u>74 822 000</u></b>	<b><u>14 559 000</u></b>

<b><u>Municipal Infrastructure Grant</u></b>		
Sqwanjana Community Hall (Ward 13)		1 000 000
New Testing Station		700 000
Kwayabu Sportsfield (Ward 15)		1 500 000
Kwabulawayo Sportsfield (Ward 24)		500 000
Esifubeni Road (Ward 10)		2 500 000
Kangela Road Eshowe (Ward 11)		3 500 000
KDS/Sunnydale Link Road (Ward 12)		1 595 100
Rehabilitation of Osborn Road (Ward 11)		2 654 990
Naickerville/Isandalwana High School Intersection (D134) (Ward 18)		1 151 400
Nogobhoza Road (Ward 15)		2 502 120
<b>MIG Continued.....</b>		

Ntenjane Causeway and Road (Ward 13)		2 000 000
Gciza Road (Ward 17)		1 584 120
KDS Bus Route Road Rehabilitation (Ward 12)		1 500 000
Retentions		1 100 000
Rehabilitation of Eshowe Landfill Site		3 527 270
<b>Total MIG Projects</b>		<b><u>27 315 000</u></b>

LG Finance Management Grant	1 750 000	
Project Management Unit (MIG Projects)	1 200 000	
<b>Total Grants</b>	<b><u>2 950 000</u></b>	

<b><u>COGTA</u></b>		
Municipal Systems Improvement Grant (MSIG)	900 000	
NT: Integrated electrification programme grant	12 000 000	
<b>Total COGTA</b>	<b><u>12 900 000</u></b>	

<b><u>Provincial Administration</u></b>		
Museum Subsidy	143 000	
Community Library Services	227 000	
Provincialisation of Libraries	2 726 000	
Property Rates	575 000	
<b>Total Provincial Administration</b>	<b><u>3 671 000</u></b>	

<b><u>uThungulu District Municipality</u></b>		
UDM: Salary Claims	557 480	
<b>Total UDM</b>	<b><u>557 480</u></b>	
<b>TOTAL GRANT ALLOCATION</b>	<b><u>94 900 480</u></b>	<b><u>41 874 000</u></b>

## 11.2 Reconciliation of DORA Gazetted Grants

- *Equitable Share Reconciliation 2013/2014*

### 1. Operating Budget

As per Municipality's Operation Budget	R 94 900 480
Less:	
LG Finance Management Grant	R 1 750 000
Municipal Systems Infrastructure Grant	R 900 000
NT: Integrated electrification programme grant	R12 000 000
Museum Subsidy	R 143 000
Community Library Services	R 227 000
Provincialisation of Libraries	R 2 726 000
Property Rates	R 575 000
UDM Salary Claims	R 557 480
Project Management Unit (MIG Projects)	R 1 200 000
Total Operating Budget Equitable Share (1)	<u>R74 822 000</u>

### 2. Capital Budget

As per Municipality's Capital Budget	R41 874 000
Less:	
Municipal Infrastructure Grant	R27 315 000
Eshowe Bus and Taxi Rank Contribution (own funding)	<u>R 3 500 000</u>
Total Capital Budget – Equitable Share (2)	<u>R11 059 000</u>

Total Equitable Share as Gazetted (Add Totals 1&2)	<u><u>R85 881 000</u></u>
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- Municipal Infrastructure Grant Reconciliation 2012/2013

As per Capital Budget MIG Allocation	R27 315 000
Add: PMU Admin Fees – 5%	<u>R 1 200 000</u>
Total MIG as Gazetted	<u><u>R28 515 000</u></u>

- LG Municipal Finance Management Grant

LG Finance Management Grant	R 1 750 000
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- Municipal Systems Infrastructure Grant

Municipal Systems Infrastructure Grant	R 900 000
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11.3 Hereunder follows the proposed equitable share allocations for the next 3 budget years

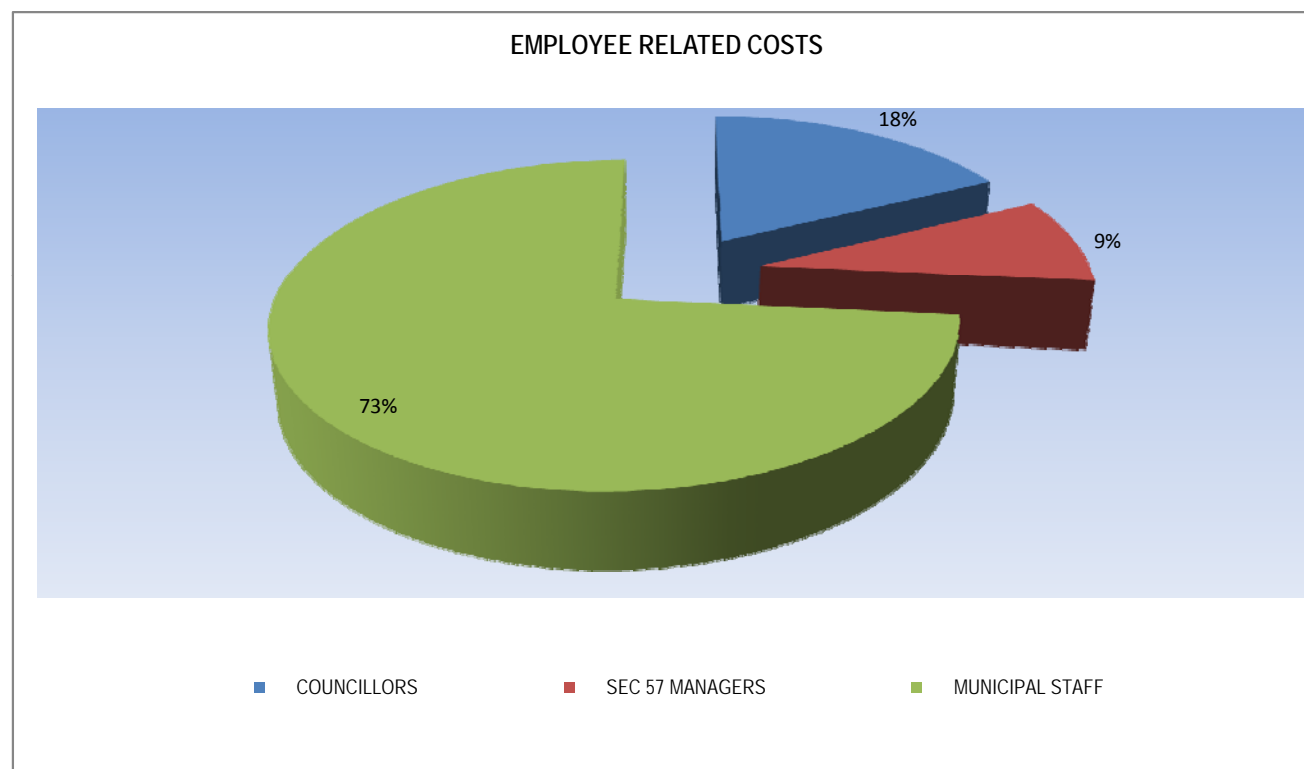
DETAILS	2013/2014 (R )	2014/2015 (R )	2015/2016 (R )
International relations	100 000	100 000	300 000
Communtiy halls maintenance (Rural)	250 000	250 000	704 640
Care taking: rural buildings	200 000	200 000	400 000
Youth development	400 000	400 000	600 000
Early childhood development	200 000	200 000	400 000
Community support programme	200 000	200 000	200 000
Local economic development (LED)	2 485 840	2 899 240	3 231 780
Youth business advisory centre	200 000	250 000	300 000
Ceremonial events	100 000	100 000	100 000
Commemorative celebrations	100 000	100 000	150 000
Rates relief	34 721 820	37 772 010	39 928 480
Depreciation on assets contribution	6 163 060	6 779 370	7 457 300
Poverty alleviation	1 500 000	1 439 420	3 026 360
Ward committee expenses	780 000	940 000	1 560 000
Re-valuation of properties	0	800 000	2 300 000
Councillor's remuneration	7 164 000	9 156 000	10 987 000
Animal pound facility	620 000	620 000	620 000
Rural fire prevention	300 000	300 000	350 000
Disaster assistance	550 000	510 300	829 370
Humanitarian assistance	500 000	500 000	500 000
Sport development	400 000	400 000	800 000
Cultural development	100 000	100 000	100 000
HIV Relief	422 800	500 000	800 000
Work creation projects	1 000 000	1 000 000	1 500 000
Sports fields - security	558 320	586 240	615 550
Rural grounds maintenance	200 000	200 000	500 000
Rural roads and causeways	4 612 800	5 108 400	5 604 000
Free refuse	1 363 100	1 458 500	1 560 600
Solid waste relief	2 626 550	2 595 850	2 619 420
Free electricity	1 216 700	1 305 700	1 414 600
Increase in Eskom supply	5 537 010	5 537 010	0
Electricity metering audit	250 000	250 000	1 274 900
Capital projects contribution	11 059 000	11 156 960	11 509 000
	<b>85 881 000</b>	<b>93 715 000</b>	<b>102 243 000</b>

## 12. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

### 12.1 Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		6 587	6 787	7 514	7 780	8 171	8 171	8 737	9 351	9 987
Pension and UIF Contributions		695	785	874	1 167	651	651	696	743	794
Medical Aid Contributions		121	123	102	125	248	248	273	300	330
Motor Vehicle Allowance		2 545	2 642	2 890	3 024	3 024	3 024	3 235	3 452	3 704
Cellphone Allowance		579	579	639	678	674	674	674	674	674
Housing Allowances		38	38	41	-	-	-	-	-	-
Other benefits and allowances										
<b>Sub Total - Councillors</b>		<b>10 565</b>	<b>10 954</b>	<b>12 059</b>	<b>12 774</b>	<b>12 769</b>	<b>12 769</b>	<b>13 615</b>	<b>14 521</b>	<b>15 491</b>
% increase	4		3.7%	10.1%	5.9%	(0.0%)	-	6.6%	6.7%	6.7%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		2 999	3 876	3 870	3 566	3 566	3 566	5 028	5 406	5 811
Pension and UIF Contributions		603	693	707	698	698	698	604	648	696
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		608	629	765	684	412	412	553	913	977
Motor Vehicle Allowance	3	896	649	777	645	645	645	416	416	416
Cellphone Allowance	3	-	60	60	72	72	72	84	84	84
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	24	24	24	48	51	55
<b>Sub Total - Senior Managers of Municipality</b>		<b>5 106</b>	<b>5 906</b>	<b>6 179</b>	<b>5 690</b>	<b>5 418</b>	<b>5 418</b>	<b>6 732</b>	<b>7 519</b>	<b>8 040</b>
% increase	4		15.7%	4.6%	(7.9%)	(4.8%)	-	24.3%	11.7%	6.9%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		27 852	31 163	32 482	36 393	34 883	34 883	38 776	42 362	45 908
Pension and UIF Contributions		4 773	5 454	5 524	7 968	7 618	7 618	8 214	8 954	9 686
Medical Aid Contributions		1 491	1 746	1 844	2 271	2 224	2 224	2 487	2 730	2 998
Overtime		2 064	2 265	2 585	2 692	3 092	3 092	3 095	3 397	3 703
Performance Bonus		-	54	(43)	0	0	0	(0)	(0)	(1)
Motor Vehicle Allowance	3	1 614	1 733	1 540	1 853	1 689	1 689	1 825	1 825	1 825
Cellphone Allowance	3	-	(60)	(60)	(72)	(72)	(72)	(84)	(84)	(84)
Housing Allowances	3	150	141	143	138	138	138	148	148	148
Other benefits and allowances	3	901	1 463	1 202	1 843	1 886	1 886	1 921	2 069	2 214
Long service awards		334	-	479	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>39 179</b>	<b>43 960</b>	<b>45 696</b>	<b>53 087</b>	<b>51 459</b>	<b>51 459</b>	<b>56 382</b>	<b>61 401</b>	<b>66 397</b>
% increase	4		12.2%	3.9%	16.2%	(3.1%)	-	9.6%	8.9%	8.1%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>54 850</b>	<b>60 821</b>	<b>63 934</b>	<b>71 552</b>	<b>69 647</b>	<b>69 647</b>	<b>76 730</b>	<b>83 442</b>	<b>89 928</b>
% increase	4		10.9%	5.1%	11.9%	(2.7%)	-	10.2%	8.7%	7.8%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>44 285</b>	<b>49 867</b>	<b>51 875</b>	<b>58 777</b>	<b>56 878</b>	<b>56 878</b>	<b>63 115</b>	<b>68 920</b>	<b>74 437</b>

EMPLOYEE RELATED COSTS	
2013/2014 MTREF	
DESCRIPTION	BUDGET YEAR 2013/2014 R'000
COUNCILLORS	13615
SEC 57 MANAGERS	6732
MUNICIPAL STAFF	56383
TOTAL EXPENDITURE	76730





12.2 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4	1	372 713	41 730	158 019			572 462
Chief Whip		1	307 198	81 342	149 385			537 925
Executive Mayor		1	419 177	98 876	192 556			710 609
Deputy Executive Mayor		1	414 442	–	158 019			572 462
Executive Committee		8	1 581 357	128 218	669 026			2 378 602
Total for all other councillors		40	5 642 102	618 579	2 582 733			8 843 414
<b>Total Councillors</b>	8	52	<b>8 736 989</b>	<b>968 745</b>	<b>3 909 741</b>			<b>13 615 474</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)		1	1 015 080	205 181	12 000	170 837		1 403 097
Chief Finance Officer		1	767 414	1 785	102 000	50 120		921 318
Deputy City Manager - Corporate Services		1	496 746	175 648	134 371	46 361		853 127
Deputy City Manager - Protection Services		1	664 268	15 070	120 000	36 742		836 081
Deputy City Manager - Community Services		1	785 554	1 785	12 000	82 671		882 009
Deputy City Manager - Engineering Services		1	584 182	107 156	108 000	45 928		845 266
<i>List of each official with packages &gt;= senior manage.</i>								
Deputy Municipal Manager		1	714 288	144 910	12 000	120 288		991 486
Deputy Chief Financial Officer		1	450 978	92 149	114 940	37 582		695 649
<b>Total Senior Managers of the Municipality</b>	8,10	8	<b>5 478 510</b>	<b>743 685</b>	<b>615 312</b>	<b>590 528</b>		<b>7 428 035</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	60	<b>14 215 499</b>	<b>1 712 429</b>	<b>4 525 052</b>	<b>590 528</b>		<b>21 043 509</b>

### 12.3 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref 1,2	2011/12			Current Year 2012/13			Budget Year 2013/14		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		52	4	48	52	4	48	52	4	48
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	7		7	7		7	7		7
Other Managers	7	8	8		8	8		8	8	
Professionals		10	10	–	12	12	–	12	12	–
<i>Finance</i>		5	5		5	5		5	5	
<i>Spatial/town planning</i>		4	4		6	6		6	6	
<i>Other</i>		1	1		1	1		1	1	
Technicians		279	279	–	279	279	–	279	279	–
<i>Finance</i>		18	18		18	18		18	18	
<i>Spatial/town planning</i>		31	31		31	31		31	31	
<i>Information Technology</i>		4	4		4	4		4	4	
<i>Roads</i>		27	27		27	27		27	27	
<i>Electricity</i>		23	23		23	23		23	23	
<i>Refuse</i>		26	26		26	26		26	26	
<i>Other</i>		150	150		150	150		150	150	
Clerks (Clerical and administrative)		13	13		13	13		13	13	
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>369</b>	<b>314</b>	<b>55</b>	<b>371</b>	<b>316</b>	<b>55</b>	<b>371</b>	<b>316</b>	<b>55</b>
<b>% increase</b>					0.5%	0.6%	–	–	–	–
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

### 13. MONTHLY TARGETS FOR REVENUE AND CASHFLOW

13.1 Hereunder follows a consolidation for revenue by source and expenditure by type

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Receipts By Source													1		
Property rates	2 038	4 553	4 103	1 817	2 997	4 096	1 964	2 148	2 238	2 286	2 154	1 759	32 152	32 200	33 778
Property rates - penalties & collection charges	69	69	69	69	69	69	69	69	69	69	69	69	825	867	910
Service charges - electricity revenue	4 175	4 907	4 247	5 036	4 889	3 612	4 583	4 639	4 852	4 600	4 255	4 784	54 581	57 390	65 614
Service charges - refuse revenue	654	719	744	699	767	622	1 093	651	733	726	761	437	8 605	8 723	9 334
Rental of facilities and equipment	106	106	106	106	106	106	106	106	106	106	106	106	1 267	1 333	1 398
Interest earned - external investments	92	92	92	92	92	92	92	92	92	92	92	92	1 100	1 100	1 100
Fines	275	375	256	311	307	243	176	232	337	360	403	329	3 604	3 788	3 974
Licences and permits	335	288	393	281	296	221	340	281	328	256	341	177	3 538	3 732	3 915
Transfer receipts - operational	36 102	4 626	2 143	-	34 058	3 000	-	2 000	22 272	-	-	557	104 759	102 899	111 389
Other revenue	231	15 835	11 482	10 059	731	15 597	4 255	12 235	165	5 923	5 493	10 285	92 290	9 463	2 185
Cash Receipts by Source	44 077	31 568	23 634	18 469	44 312	27 657	12 677	22 451	31 191	14 417	13 672	18 596	302 721	221 496	233 596
Other Cash Flows by Source															
Transfer receipts - capital	11 406				7 985				9 124			-	28 515	24 353	36 000
Proceeds on disposal of PPE											200	-	200	200	200
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits	13	13	13	13	13	13	13	13	13	13	13	13	160	190	174
Decrease (Increase) in non-current debtors						(3)						-	(3)	(3)	69
Decrease (Increase) other non-current receivables												-			
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	55 496	31 582	23 647	18 482	52 310	27 667	12 690	22 464	40 329	14 431	13 886	18 609	331 593	246 236	270 039
Cash Payments by Type															
Employee related costs	5 260	5 260	5 260	5 260	5 260	5 260	5 260	5 260	5 260	5 260	5 260	5 260	63 115	68 920	74 437
Remuneration of councillors	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	13 615	14 521	15 491
Finance charges			335						335				-	657	689
Bulk purchases - Electricity	517	4 956	6 198	2 760	583	6 202	3 057	3 715	3 434	3 124	3 372	3 455	41 373	47 993	55 672
Contracted services	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	19 073	20 913	23 323
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	215	215	215	215	215	215	215	745	215	215	215	215	3 110	3 319	3 554
Other expenditure	47 536	16 998	2 822	2 885	39 001	7 835	1 672	3 679	23 650	1 115	1 166	(529)	147 829	55 188	51 138
Cash Payments by Type	56 252	30 153	17 553	13 843	47 783	22 236	12 928	16 123	35 617	12 437	12 737	11 124	288 785	211 511	224 303
Other Cash Flows/Payments by Type															
Capital assets	1 032	1 337	6 106	4 663	4 394	5 188	677	6 037	5 045	1 632	1 131	4 631	41 874	35 510	47 509
Repayment of borrowing	-	-	-	-	-	-	-	-	(343)	-	-	-	(343)	(343)	(343)
Other Cash Flows/Payments												-			
Total Cash Payments by Type	57 284	31 490	23 659	18 506	52 177	27 424	13 605	22 161	40 319	14 069	13 868	15 755	330 316	246 678	271 469
NET INCREASE/(DECREASE) IN CASH HELD	(1 787)	92	(12)	(24)	133	244	(915)	304	9	361	18	2 854	1 277	(442)	(1 430)
Cash/cash equivalents at the month/year begin:	2 971	1 184	1 276	1 264	1 240	1 373	1 617	702	1 005	1 015	1 376	1 394	2 971	4 248	3 806
Cash/cash equivalents at the month/year end:	1 184	1 276	1 264	1 240	1 373	1 617	702	1 005	1 015	1 376	1 394	4 248	4 248	3 806	2 376

13.2 Hereunder follows a consolidation for revenue by source and expenditure by type

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 1 - EXECUTIVE AND COUNCIL		7 601	7 601	7 601	7 601	7 601	7 601	7 601	7 601	7 601	7 601	7 601	7 601	91 210	99 971	111 316
Vote 2 - BUDGET AND TREASURY OFFICE		221	221	221	221	221	221	221	221	221	221	221	221	2 656	2 702	2 749
Vote 3 - CORPORATE SERVICES		81	81	81	81	81	81	81	81	81	81	81	81	970	996	1 677
Vote 4 - PLANNING AND DEVELOPMENT		125	125	125	125	125	125	125	125	125	125	125	125	1 505	1 520	1 636
Vote 5 - HEALTH		165	165	165	165	165	165	165	165	165	165	165	165	1 980	2 101	2 830
Vote 6 - COMMUNITY AND SOCIAL SERVICES		272	272	272	272	272	272	272	272	272	272	272	272	3 268	3 438	3 623
Vote 7 - HOUSING		11	11	11	11	11	11	11	11	11	11	11	11	134	140	147
Vote 8 - PUBLIC SAFETY		409	409	409	409	409	409	409	409	409	409	409	409	4 903	5 038	5 583
Vote 9 - SPORTS AND RECREATION		239	239	239	239	239	239	239	239	239	239	239	239	2 864	2 951	3 836
Vote 10 - WASTE MANAGEMENT		1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	13 169	13 874	14 684
Vote 11 - ROAD TRANSPORT		679	679	679	679	679	679	679	679	679	679	679	679	8 151	8 827	9 505
Vote 12 - ELECTRICITY		6 343	6 343	6 343	6 343	6 343	6 343	6 343	6 343	6 343	6 343	6 343	6 343	76 111	83 355	88 113
Vote 13 - AIR TRANSPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - WORKSHOP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>17 243</b>	<b>206 921</b>	<b>224 913</b>	<b>245 700</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - EXECUTIVE AND COUNCIL		3 968	3 968	3 968	3 968	3 968	3 968	3 968	3 968	3 968	3 968	3 968	3 968	47 621	51 367	59 046
Vote 2 - BUDGET AND TREASURY OFFICE		941	941	941	941	941	941	941	941	941	941	941	941	11 291	12 057	12 789
Vote 3 - CORPORATE SERVICES		632	632	632	632	632	632	632	632	632	632	632	632	7 584	8 139	9 360
Vote 4 - PLANNING AND DEVELOPMENT		277	277	277	277	277	277	277	277	277	277	277	277	3 320	3 451	3 690
Vote 5 - HEALTH		339	339	339	339	339	339	339	339	339	339	339	339	4 070	4 614	5 560
Vote 6 - COMMUNITY AND SOCIAL SERVICES		272	272	272	272	272	272	272	272	272	272	272	272	3 269	3 520	3 786
Vote 7 - HOUSING		11	11	11	11	11	11	11	11	11	11	11	11	135	142	149
Vote 8 - PUBLIC SAFETY		1 585	1 585	1 585	1 585	1 585	1 585	1 585	1 585	1 585	1 585	1 585	1 585	19 026	20 344	22 110
Vote 9 - SPORTS AND RECREATION		858	858	858	858	858	858	858	858	858	858	858	858	10 292	10 943	12 399
Vote 10 - WASTE MANAGEMENT		1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	15 946	17 173	18 290
Vote 11 - ROAD TRANSPORT		1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	1 050	12 603	13 846	15 081
Vote 12 - ELECTRICITY		5 932	5 932	5 932	5 932	5 932	5 932	5 932	5 932	5 932	5 932	5 932	5 932	71 183	78 730	82 791
Vote 13 - AIR TRANSPORT		1	1	1	1	1	1	1	1	1	1	1	1	12	13	14
Vote 14 - WORKSHOP		43	43	43	43	43	43	43	43	43	43	43	43	512	546	583
<b>Total Expenditure by Vote</b>		<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>17 239</b>	<b>206 864</b>	<b>224 885</b>	<b>245 648</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>57</b>	<b>28</b>	<b>52</b>
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>57</b>	<b>28</b>	<b>52</b>

13.3 Hereunder follows the capital expenditure by vote

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - EXECUTIVE AND COUNCIL				930	50		25						-	1 005	37	45
Vote 2 - BUDGET AND TREASURY OFFICE				40	89	48	22	52	42				-	293	242	325
Vote 3 - CORPORATE SERVICES				560	410	460	485		215	200			-	2 330	1 070	14 025
Vote 4 - PLANNING AND DEVELOPMENT					80								-	80	-	-
Vote 5 - HEALTH				15									-	15	5	10
Vote 6 - COMMUNITY AND SOCIAL SERVICES							100			300	20		-	420	1 272	6 320
Vote 7 - HOUSING													-	-	-	-
Vote 8 - PUBLIC SAFETY				480	35		300				5		-	820	865	507
Vote 9 - SPORTS AND RECREATION				590	300	350	300		400	400	300		-	2 640	3 517	2 260
Vote 10 - WASTE MANAGEMENT		500	500	990	500	545	527		500				-	4 062	200	770
Vote 11 - ROAD TRANSPORT		532	737	1 926	2 401	2 931	3 403	600	4 835	4 100	1 282	1 131	4 631	28 510	26 010	21 020
Vote 12 - ELECTRICITY			100	315	798	60	25	25	45	45	25		-	1 438	2 293	2 227
Vote 13 - AIR TRANSPORT													-	-	-	-
Vote 14 - WORKSHOP				260									-	260	-	-
Capital multi-year expenditure sub-total	2	1 032	1 337	6 106	4 663	4 394	5 188	677	6 037	5 045	1 632	1 131	4 631	41 874	35 510	47 509
Total Capital Expenditure	2	1 032	1 337	6 106	4 663	4 394	5 188	677	6 037	5 045	1 632	1 131	4 631	41 874	35 510	47 509

14. Annual budgets and service delivery and budget implementation plans-internal departments



QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department – Municipal Managers Office												
KPA: <u>Municipal financial viability and management</u>												
Vote: Executive and Council												
1. <u>Mayoral Office</u>												
Report on implementation of budget	Submit quarterly to Council	4		1		1		1		1		
Performance indicators in S D B I P	Made public in July 2013	1		1								
Performance agreements in S D B I P	Made public in July 2013	1		1								
Time schedule of key deadlines for budget and IDP process	Tabled in June 2014	1								1		
Mid- year performance assessment report	Tabled in January 2014	1						1				
Adjustments budget	Tabled in January 2014	1						1				
Annual report	Tabled in January 2014	1						1				
Draft budget, revisions to IDP, resolutions and other related documents	Tabled in March 2014	1						1				
Issues raised in Auditors-General report	Addressed in March 2014	1						1				
Consultation on draft budget	No. of meetings in April 2014	7								7		
Responds to submissions of community	Amends budget in May 2014	1								1		
Service Delivery and Budget Implementation Plan	Approve in May 2014	1								1		
KPA: <u>Basic Service Delivery</u>												
Purchase furniture, fittings and equipment	Deliver in November 2013		R25 440			R25 440						

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
<b>2. <u>Municipal Manager</u></b>												
Monthly budget statement to Mayor and PT	No of statements	11		3		2		3		3		
Monthly budget statements and mid year budget and performance assessment	Consolidate in July 2013	1		1								
Consolidated report of withdrawals report to Council on the expenditure incurred on staff salaries, wages, allowances & benefits	Submit quarterly to Council	4		1		1		1		1		
Time schedule of key deadlines for budget and IDP process	Made public in August 2013	1		1								
Annual financial statements to Auditor General	Submit end of August 2013	1		1								
Internal Strategic Consultation processes	Start in October 2013	2				2						
Engages with national and provincial sector Depts. on sector specific programmes for alignment with IDP	Begins in September 2013	2		1		1						
Impact of different service delivery levels on rates and tariffs	Inform community in October 2013	1				1						
National policies, budget plans and potential price increases of bulk resources	Review with dept heads in Oct 2013	1				1						
Changes to the IDP for incorporation into IDP review	Review in November 2013	1				1						
Mid- year performance assessment report to Mayor, N T & P T	Submit in January 2014	1						1				
Annual report	Make public in March 2014	1						1				
Annual report to AG, PT and D T & LG	Submit in March 2014	1						1				
National and Provincial allocations	Review in February 2014	1						1				

**QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014**

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Act	Projected	Actual	Projected	Actual	Projected	Actual	
<b>Municipal Manager (continues)</b>												
Draft budget and plans for next 3 years to Mayor	Submit in March 2014	1						1				
Oversight report of annual report	Made public in March 2014	1						1				
Draft budget, plans and proposed revisions to IDP	Publish in March 2014	1						1				
Approved budget and budget related policies	Publish in June 2014	1								1		
SDBIP and annual performance agreements to Mayor	Submit in June 2014	1								1		
Approved SDBIP to National Treasury	Submit in June 2014	1								1		
<b><u>KPA: Municipal transformation and organizational development</u></b>												
<b>Vote: Executive and Council</b>												
<b><u>Municipal Manager</u></b>												
Departmental Communication	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	11		3		3		2		3		
	No of dept strategic meetings	12		3		3		3		3		
New Municipal IDP	Complete by January 2014	100%				75%		100%				
Amend and align PMS with IDP	Complete by January 2014	100%				75%		100%				
Performance agreements of S57 managers signed	No of agreements signed by July 2013	6		6								
(OPMS) Operational performance management system	No of reports to Council	2				1				1		
Mid -year performance report	Submit by January 2014	1						1				
Annual performance report	Submit by July 2013	1		1								
Quarterly performance evaluation of S57 Managers	No of evaluations	4		1		1		1		1		
<b><u>KPA: Local economic development</u></b>												
<b>Vote: Executive and Council</b>												
<b><u>Municipal Manager</u></b>												
Local economic development projects	Rand value on budget spend		R2 485 840	R497 168		R1 242 920		R1 988 672		R2 485 840		
Youth business advisory centre (Equit share)	Rand value on budget spend		R 200 000	R 40 000		R 100 000		R 160 000		R 200 000		
Establish sustainable SMME's	Number established	8		2		2		2		2		
Capacity building initiative	No of initiatives	100		25		25		25		25		



**QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014**

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Act	Projected	Actual	Projected	Actual	Projected	Actual	
<b>KPA: <u>Good Governance and public participation</u></b>  <b>Vote: Executive and Council</b>  <u><b>Municipal Manager</b></u>  Establish sustainable ward committees  IDP Road shows IDP representative forum meetings Financial Audit committee Performance Audit committee Implement anti corruption/fraud prevention Plan Risk areas in accordance with Council's Risk Assessment Plan  <b>KPA: <u>Basic Service Delivery</u></b>  <b>Vote: Executive and Council</b>  <u><b>Municipal Manager</b></u>  Office renovation Purchase furniture (DMM) Purchase equipment(DMM)	No of Ward committees established	13	R780 000	5		10		13				
	No of road shows conducted	52		26				26				
	No of rep forum meetings	2		1				1				
	No of meetings	4	R36 000	1		1		1		1		
	No of meetings	2		1				1				
	Quarterly reports	4		1		1		1		1		
	Quarterly reports	4		1		1		1		1		
	Complete in September 2013	R50 000				R50 000						
	Deliver in August 2013	R20 000		R20 000								
	Deliver in August 2013	R10 000		R10 000								



**QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014**

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Act	Projected	Actual	Projected	Actual	Projected	Actual	
Department – Corporate Services												
<u>KPA: Municipal financial viability and management</u>												
1. Vote: Finance & Administration												
1.1 Administration												
Draft 2014/2015 Departmental budget	Submit in November 2013	1				1						
Draft Department al SDBIP	Submit in February 2014	1						1				
Approved 2013/2014 budget by Council	Published in June 2013	1		1								
<u>KPA: Municipal transformation and organizational development</u>												
Vote: Finance & Administration												
Administration												
Departmental Communication	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	11		3		3		2		3		
	No of Council meetings	4		1		1		1		1		
	Portfolio	6		1		1		2		2		
	Finance	11		3		3		2		3		
	Local Labour Forum	4		1		1		1		1		
Training of staff & Councillors	No of staff & Cllrs trainees	60	R495 00	5		25		20		10		
Workplace skills plan	Completion and adoption by 30 June 2014	1				25%		75%		100%		
Implement HR strategy	Workshop by January 2014	1						100%				
<u>KPA: Local Economic Development</u>												
Vote: Finance & Administration												
Administration												
Employment equity plan	Reports to Local Labour Forum	4		1		1		1		1		

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Act	Projected	Actual	Projected	Actual	Projected	Actual	
<b>Department – Corporate Services (continues)</b> <b><u>KPA: Good Governance and public participation</u></b>												
<b>Vote: Finance &amp; Administration</b>												
<b>Administration</b>												
Review existing policies	No of policies	8		2		2		2		2		
Compilation agenda & minutes	No of agendas and minutes	100		25		25		25		25		
Municipal website	No of uploads	12		3		3		3		3		
Publish draft 2013/2014 budget	Publish in March 2013 & website	1								1		
Performance agreement and SDBIP	Made public in July 2013	1		1								
<b><u>KPA: Basic Service Delivery</u></b>												
<b>Vote: Finance &amp; Administration</b>												
<b>Administration</b>												
Purchase furniture and fittings	Deliver in January 2013		R 15 000					R15 000				
<b>Town Hall &amp; Offices</b>												
Purchase of furniture and fittings	Deliver in October 2013		R 50 000			R 50 000						
Caretaking rural buildings (Equitable share)	Rand value on budget spend		R200 000	R 40 000		R 100 000		R160 000		R200 000		
<b>Museum</b>												
Purchase of furniture and equipment	Deliver in March 2014		R 10 000					R 10 000				
<b>Libraries</b>												
Purchase equipment, furniture and fittings	Deliver in March 2014		R 10 000					R 10 000				
<b>Tourism</b>												
Purchase display furniture & equipment	Deliver in November 2013		R50 000			R50 000						



DRAFT MTREF 2013/2014

**QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014**

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Act	Projected	Actual	Projected	Actual	Projected	Actual	
<b><u>KPA: Local Economic Development</u></b>												
<b>Vote: Public Safety</b>												
<b>2.2 Fire Fighting</b>												
Municipal disaster management plan	No of awareness campaigns	4		1		1		1		1		
<b><u>KPA: Basic Service Delivery</u></b>												
<b>Vote: Public Safety</b>												
<b>Fire Fighting</b>												
Fire inspections-businesses	No of inspections	100		25		25		25		25		
Rural fire prevention training	No of training sessions	10	R300 000	5						5		
Purchase firefighting equipment	Deliver in November 2013		R300 000			R300 000						
Fire station furniture	Deliver in March 2014		R 5 000							R 5 000		
<b><u>KPA: Basic Service Delivery</u></b>												
<b>3. Vote: Road Transport</b>												
<b>3.1 Testing Grounds</b>												
Examination of vehicles	No of vehicles	1 600		400		400		400		400		
Motor registration & licensing:	Units of one hundred	200		40		40		40		40		
Driver's Licenses: Bookings	No of bookings	2 000		500		500		500		500		
Passed	No of passes	1 000		250		250		250		250		
Learners licenses: Bookings	No of bookings	2 000		500		500		500		500		
Passed	No of passes	600		150		150		150		150		
Maintenance of buildings	Rand value of budget spent		R 62 060			R 31 030		R 31 030				

uMLALAZI MUNICIPALITY

**QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014**

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
<b>Department-Financial Services (continues)</b>												
Draft 2014/2015 budget to Provincial Treasury (1 copy)	Completed and mailed in April 2014	1								1		
Final 2014/2015 budget	Tabled in May 2014	1								1		
Final 2014/201 budget to National Treasury	Forwarded in June 2014	1								1		
Final SDBIP for 2014/2015	Approved in June 201	1								1		
<b><u>KPA: Municipal financial viability and Management</u></b>												
<b>Vote: Finance &amp; Admin</b>												
<b>1.2 Revenue</b>												
Report on credit control, debt collection & indigent management to Finance Committee.	No of reports	11		3		2		3		3		
Meetings with Council's attorneys to discuss progress on handed over debtors.	No of meetings	4		1		1		1		1		
Steering committee meetings with council's Valuers.	No of meetings	4		1		1		1		1		
Debtor reconciliations	Completed by the 15 <sup>th</sup> of the month	12		3		3		3		3		
Indigent Support-quarterly report to council	No of reports	4		1		1		1		1		
Indigent support –reports displayed at cashier offices	No of reports	4		1		1		1		1		
<b><u>KPA: Municipal financial viability and Management</u></b>												
<b>Vote: Finance &amp; Admin</b>												
<b>1.3 Expenditure</b>												
SCM Policy-revise	Completed by December 2013	100%				100%						
DoRA reports on all grants received	Submitted monthly	12		3		3		3		3		
SCM reports in accordance with regulations, policy & procedures.	Submitted monthly	12		3		3		3		3		
Payroll is completed timorously & accurately	Completed within 7 working days of the end of the month	100%		100%		100%		100%		100%		
Payment of creditors on time in terms of Section 65 of MFMA	No of creditors paid on time	100%		100%		100%		100%		100%		
<b><u>KPA: Local Economic development</u></b>												
<b>Vote: Finance &amp; Admin</b>												
Ensure procurement policy is gender & disabled sensitive	Bi annual reports to EXCO	2%				1%				2%		
<b><u>KPA: Basic service delivery</u></b>												
<b>Vote: Finance &amp; Admin</b>												
<b>1.4 SCM Unit</b>												

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending Sept		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Act	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Community Services (Manager: Community Services)												
<u>KPA: Municipal financial viability and management</u>												
1. Vote: Finance & Admin												
Draft 2014/2015 Departmental budget	Submit in November 2013	1				1						
Draft Departmental SDBIP	Submit in February 2014	1						1				
<u>KPA: Municipal transformation and organizational development</u>												
Vote: Finance & Admin												
Departmental Communication	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	11		3		3		2		3		
Liaison with UDM and Coastal Management working group	No of meetings	4		1		1		1		1		
<u>KPA: Local Economic development</u>												
Vote: Finance & Admin												
Work creation projects: Equit share	Rand value of budget spent		R1 000 000	R200 000		R500 000		R800 000		R1 000 000		
<u>KPA: Good Governance &amp; public participation</u>												
Vote: Finance & Admin												
Compilation agendas & minutes	No of agenda & minutes	6		2		2		2		2		
SLA Environment /SLA	Signing & compliance of SLA	1						1				
<u>KPA: Basic Service Delivery</u>												
2. Vote: Community & Social Services												
Liaison with Dept of health to ensure an acceptable level of health care	No of portfolio meetings	6		2		1		2		1		
Cemeteries graves	No of graves dug	220		55		55		55		55		
Sports development: Equit Share	Rand value of budget spent		R400 000	R 80 000		R200 000		R320 000		R400 000		
Cultural development: Equit Share	Rand value of budget spent		R100 000	R 20 000		R 60 000		R100 000				
HIV relief: Equit share	Rand value of budget spent		R422 800	R105 000		R210 000		R315 000		R422 800		
Youth Development Programmes :Equit share	Rand value of budget spent		R400 000	R 80 000		R200 000		R320 000		R400 000		
Rural grounds maintenance: Equit share	Rand value of budget spent		R200 000	R 50 000		R100 000		R150 000		R200 000		
Purchase furniture and equipment	Deliver in August 2013		R 15 000	R 15 000								
Construct cemetery pathways	Complete in November 2013		R100 000			R100 000						
Erect palisade fencing - cemetery	Complete in February 2014		R300 000					R300 000				



QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	
Department-Community Services (continues)												
3. Vote: Sport & Recreation												
Weed eradication programs	Rand value of budget spent		R 349 760	R 87 440		R 87 440		R 87 440		R 87 440		
Grass cutting programs	Rand value of budget spent		R1 425 400	R356 350		R712 700		R1 069 050		R1 425 400		
Purchase brush cutters	Deliver in October 2013		R 50 000			R 50 000						
Erect palisade fencing – swimming pool	Complete in August 2013		R 150 000	R150 000								



**QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014**

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending Sept		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Act	Projected	Act	Projected	Act	Projected	Act	
Department-Technical Services (Manager Engineer Services)												
<u>KPA: Municipal financial viability &amp; Management</u> Vote: Finance & Administration												
Draft 2014/2015 Departmental budget	Submit in November 2013	1				1						
Draft Departmental SDBIP	Submit in February 2014	1						1				
<u>KPA: Municipal transformation &amp; Organizational Development</u> Vote: Finance & Administration												
Departmental Communication	No of staff meetings	12		3		3		3		3		
	No of EXCO meetings	11		3		3		2		3		
	General staff	2				1				1		
<u>KPA: Good Governance &amp; public participation</u> Vote: Finance & Administration												
Compilation agendas & minutes	No of portfolio meetings	6		2		2		1		1		
	No of Staff meetings	11		3		3		2		3		
	No of General meetings	2				1				1		
	No of Task meetings	6		2		2		1		1		
	No of PMU meetings	6		2		2		1		1		
	Other	12		3		3		3		3		
<u>KPA: Basic Service Delivery</u> Vote: Finance & Administration												
Upgrade of halls and offices	Complete by November 2013		R865 000	R210 000		R865 000						
Community halls main (Equitable Share)	Rand value of budget spent		R250 000	R 25 000		R100 000		R175 000		R250 000		
Purchase draughtsman program	Install in September 2013		R 80 000			R 80 000						
Vote: Planning & Development												
Building inspections conducted	No of building inspections	800		200		200		200		200		
Property inspections conducted	No of property inspections	1 000		250		250		250		250		

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending Sept		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Act	Projected	Act	Projected	Act	Projected	Act	
Department-Technical Services (continues)												
Vote: Community & Social Services												
Consult with UDM that water & sanitation needs are catered for in the UDM (WSDP). Consult with Eskom and UDM so that uMlalazi residents receive free basic electricity.	No of meetings attended	4		1		1		1		1		
Poverty alleviation(Equit share)	No of meetings attended	4		1		1		1		1		
Early childhood development (Equit share)	No of jobs created	200	R1 500 000	50		100		150		200		
Sqwanjana community hall (Ward 13)	Rand value of budget spent		R 200 000			R100 000				R100 000		
Testing station planning	Complete by February 2014		R1 000 000			R600 000		R1 000 000				
	Complete by January 2014		R 700 000					R 700 000				
Vote: Sports & Recreation												
Construct Kwayabu sports field (Ward 15)	Complete by March 2014		R1 500 000			R 600 000		R1 200 000		R1 500 000		
Construct Kwabulawayo sports field (Ward 24)	Complete by February 2014		R 500 000			R 300 000		R 500 000				
Vote: Refuse Removal												
Recycling Programme	No of reports to Portfolio committee	6		2		1		1		2		
Purchase refuse bins			R 45 000					R 45 000				
Waste management plan- report tonnages to regional refuse site	Deliver in October 2013	6		2		1		1		2		
Provide free refuse to indigent households	No of reports		R1 363 100			R 681 550		R1 022 325		R1 363 100		
Rehabilitate Eshowe landfill site	Rand value of budget spend		R3 527 270			R3 027 270		R3 527 270				
	Complete by January 2014											

**QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014**

Vote/Indicator	Unit of Measurement	Annual Target	Budget	Quarter Ending September		Quarter Ending December		Quarter Ending March		Quarter Ending June		Explanation of Variance
				Projected	Act	Projected	Act	Projected	Act	Projected	Act	
Department-Technical Services (continues)												
Vote: Road Transport												
Municipal services infrastructure maintenance plan-buildings.	No of reports to Portfolio committee	6		2		1		1		2		
Municipal roads programme	No of reports to Portfolio committee	5		2		1		1		2		
Storm Water Management	Complete by November 2013		R 527 000	R 210 000		R 527 000						
Road mechanical sweeper	Deliver August 2013		R 100 000	R 100 000								
Construct sidewalks	Complete in January 2014		R 237 560	R 50 000		R 200 000		R 237 560				
Construct public transport facilities	Complete in November 2013		R 118 000	R 29 500		R 118 000						
Construct speed humps	Complete in October 2013		R 30 000			R 30 000						
Grading of rural roads (Equit share)	Rand value of budget spend		R 4 612 800	R1 153 200		R2 306 400		R3 459 600		R4 612 800		
Rehabilitation of urban roads(Equit share)	Rand value of budget spend		R 2 700 000	R 500 000		R2 000 000		R2 025 000				
Taxi rank-informal trading project	Complete by June 2014		R 3 500 000							R3 500 000		
Esifubeni road (Ward 10)	Complete February 2014		R 2 500 000			R1 500 000		R2 500 000				
Kangela street (Ward 11)	Complete May 2014		R 3 500 000			R 500 000		R2 000 000		R3 500 000		
KDS/S/Dale link road (Ward 12)	Complete August 2013		R 1 595 100	R1 595 100								
Rehabilitation of Osborn road (Ward 11)	Complete May 2014		R 2 654 990					R1 061 996		R2 654 990		
Naicker ville/D134 intersection (Ward 18)	Complete March 2014		R 1 151 400					R1 000 000		R1 151 400		
Nogobhoza road (Ward 15)	Complete by February 2014		R 2 502 120			R1 500 000		R2 502 120				
Ntenjane causeway (Ward 13)	Complete by February 2014		R 2 000 000			R1 000 000		R2 000 000				
Gciza road (Ward 17)	Complete by February 2014		R 1 584 120			R 950 460		R1 584 120				
KDS Bus route rehabilitation (Ward 12)	Complete by February 2014		R 1 500 000			R 900 000		R1 500 000				
Vote: Electricity												
Provide free electricity to indigent households	Rand value of budget spend		R1 216 700	R 304 175		R 618 350		R 912 525		R1 216 700		
Purchase 2x complete 3 way ring main units	Deliver in September 2013		R 180 000			R 180 000						
Purchase 1x complete 4 way ring main unit	Deliver in September 2013		R 200 000			R 200 000						
Upgrade robot control system	Complete October 2013		R 40 000			R 40 000						
Upgrade street lights	Complete in February 2014		R 100 000	R 20 000		R 60 000		R 100 000				
Purchase indoor transformer	Deliver in September 2013		R 130 000			R 130 000						
Purchase pole mounted transformers	Deliver in September 2013		R 88 000			R 88 000						
Protection relay for sub stations	Deliver in September 2013		R 155 000			R 155 000						
Purchase MV switching suit	Deliver in August 2013		R 35 000	R 35 000								
Electrification of Mtakwende area	Complete by March 2014		R 250 000	R 100 000		R 150 000		R 225 000		R 200 000		
Increase in Eskom supply (Equit share)	Complete in December 2013		R5 537 010	R5 537 010								
Electricity meter audit (Equit share)	Complete by December 2013		R 250 000			R 250 000						
Purchase 5 sedan vehicles	Deliver in August 2013		R 1 380 000	R1 380 000								
Purchase 3 (4x2) LDV's	Deliver in August 2013		R 780 000	R 780 000								
Purchase 2 trailers	Deliver in August 2013		R 230 000	R 230 000								
Purchase 2 tractors	Deliver in August 2013		R 700 000	R 700 000								
Purchase 1 (4x4) LDV	Deliver in August 2013		R 350 000	R 350 000								
Purchase canopies	Deliver in August 2013		R 250 000	R 250 000								
Vote: Other												
Municipal services infrastructure maintenance plan-vehicles	No of reports to Portfolio committee			2		1		1		2		

15. Contract having future budgets implications

Hereunder follows the details of a contract which will impose financial obligations on the municipality beyond the three years covered in the annual budget:

Name	Description of Contract	Planned expenditure for duration of contract			
		<i>2012/2013</i>	<i>2013/2014</i>	<i>2014/2015</i>	<i>2015/2016</i>
<i>HCB Property Valuations</i>	<i>Second round of property valuations</i>	R300 000	R300 000	R300 000	R300 000

# 16. CAPITAL EXPENDITURE DETAILS

## 16.1 Capital expenditure on new assets by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		35 071	12 473	18 226	20 619	19 983	19 983	21 346	25 570	18 134
Infrastructure - Road transport		24 905	6 417	17 067	9 125	9 379	9 379	12 581	23 825	16 600
Roads, Pavements & Bridges		24 905	6 417	17 067	9 125	9 379	9 379	12 581	23 825	16 600
Storm water										
Infrastructure - Electricity		1 831	1 463	347	620	615	615	1 038	1 745	1 534
Generation		1 831	1 463	347	620	615	615	1 038	1 745	1 534
Transmission & Reticulation										
Street Lighting										
Infrastructure - Other		8 334	4 593	813	10 875	9 989	9 989	7 727	-	-
Waste Management		8 334	4 157	122	7 055	6 119	6 119	3 527	-	-
Transportation	2									
Other	3		435	690	3 820	3 870	3 870	4 200	-	-
<b>Community</b>		6 120	5 362	3 086	17 011	8 284	8 284	3 400	4 028	20 500
Parks & gardens						-	-			
Sportsfields & stadia		3 058	1 781	1 120	13 700	2 900	2 900	2 000	2 257	1 700
Swimming pools		30			-	-	-			100
Community halls		171	744		1 750	2 200	2 200	1 000	-	12 400
Libraries		1 451				-	-			
Recreational facilities						-	-			
Fire, safety & emergency		457	50		-	-	-	-	500	-
Security and policing						-	-			
Buses	7					-	-			
Clinics						-	-			
Museums & Art Galleries						-	-			
Cemeteries		130	262		50	50	50	400	300	300
Social rental housing	8					-	-			
Other		823	2 525	1 966	1 511	3 134	3 134	-	972	6 000
<b>Investment properties</b>		-	1 866	800	2 100	2 100	2 100	-	-	-
Housing development			1 866	800	2 100	2 100	2 100	-	-	-
Other										
<b>Other assets</b>		3 491	2 351	1 439	1 370	2 138	2 138	1 712	1 887	2 520
General vehicles		1 131	1 488	432	250	1 099	1 099	960	1 020	620
Specialised vehicles	10	1 781	-	-	-	-	-	-	-	-
Plant & equipment		485	658	758	552	557	557	540	623	1 068
Computers - hardware/equipment						-	-			
Furniture and other office equipment		94	204	249	568	481	481	212	244	832
Abattoirs						-	-			
Markets						-	-			
Civic Land and Buildings						-	-			
Other Buildings						-	-			
Other Land						-	-			
Surplus Assets - (Investment or Inventory)						-	-			
Other						-	-			
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>44 682</b>	<b>22 052</b>	<b>23 552</b>	<b>41 101</b>	<b>32 504</b>	<b>32 504</b>	<b>26 458</b>	<b>31 485</b>	<b>41 154</b>
<b>Specialised vehicles</b>		1 781	-	-	-	-	-	-	-	-
Refuse		496								
Fire		1 286								
Conservancy										
Ambulances										

## 16.2 Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Capital expenditure on renewal of existing assets by</b>										
<b>Asset Class/Sub-class</b>										
<b>Infrastructure</b>		1 664	951	1 330	8 076	15 158	15 158	11 390	1 285	3 443
Infrastructure - Road transport		1 388	866	1 060	7 626	14 703	14 703	11 120	1 165	3 300
Roads, Pavements & Bridges		1 137	627	720	7 276	13 728	13 728	10 593	365	2 300
Storm water		251	239	340	350	975	975	527	800	1 000
Infrastructure - Electricity		112	85	140	100	100	100	140	120	143
Generation		112	85	140	100	100	100	140	120	143
Transmission & Reticulation										
Street Lighting										
Infrastructure - Other		164	-	130	350	355	355	130	-	-
Waste Management										
Transportation										
Gas										
Other										
	2									
	3	164		130	350	355	355	130		
<b>Community</b>		-	184	230	200	200	200	1 015	900	1 450
Parks & gardens						-	-			
Sportsfields & stadia						-	-			
Swimming pools						-	-	150		
Community halls			184	230	200	200	200	865	900	1 450
Libraries						-	-			
Recreational facilities						-	-			
Fire, safety & emergency						-	-			
Security and policing						-	-			
Buses						-	-			
Clinics						-	-			
Museums & Art Galleries						-	-			
Cemeteries						-	-			
Social rental housing						-	-			
Other						-	-			
	7									
	8									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		200	223	347	2 038	1 847	1 847	3 011	1 840	1 462
General vehicles					1 690	1 586	1 586	2 730	1 620	1 160
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment		200	223	347	348	261	261	281	220	302
Furniture and other office equipment						-	-			
Abattoirs						-	-			
Markets						-	-			
Civic Land and Buildings						-	-			
Other Buildings						-	-			
Other Land						-	-			
Surplus Assets - (Investment or Inventory)						-	-			
Other						-	-			
	10									
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Capital Expenditure on renewal of existing assets</b>	1	1 863	1 357	1 907	10 314	17 204	17 204	15 416	4 025	6 355
<b>Specialised vehicles</b>										
Refuse		-	-	-	-	-	-	-	-	-
Fire										
<b>Renewal of Existing Assets as % of total capex</b>		4.0%	5.8%	7.5%	20.1%	34.6%	34.6%	36.8%	11.3%	13.4%
<b>Renewal of Existing Assets as % of deprecn"</b>		25.6%	19.3%	25.3%	117.1%	212.4%	212.4%	180.4%	44.8%	67.4%

## 16.3 Repairs and maintenance expenditure by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>3 240</b>	<b>3 627</b>	<b>5 938</b>	<b>5 747</b>	<b>6 358</b>	<b>6 358</b>	<b>3 201</b>	<b>3 364</b>	<b>3 529</b>
Infrastructure - Road transport		1 721	2 043	4 227	3 974	4 301	4 301	1 062	1 116	1 171
Roads, Pavements & Bridges		1 721	2 043	4 227	3 974	4 301	4 301	1 062	1 116	1 171
Storm water										
Infrastructure - Electricity		946	1 092	1 082	1 281	1 355	1 355	1 409	1 481	1 553
Generation		946	1 092	1 082	1 281	1 355	1 355	1 409	1 481	1 553
Transmission & Reticulation										
Street Lighting										
Infrastructure - Other		573	492	630	492	702	702	731	768	806
Waste Management		573	492	630	492	702	702	731	768	806
Transportation										
Gas										
Other										
<b>Community</b>		<b>1 550</b>	<b>1 428</b>	<b>3 405</b>	<b>2 192</b>	<b>3 278</b>	<b>3 278</b>	<b>2 057</b>	<b>1 780</b>	<b>2 974</b>
Parks & gardens		302	383	1 641	428	459	459	684	709	1 034
Sportsfields & stadia										
Swimming pools		14	10		18	18	18	12	13	13
Community halls		217	215	641	790	1 781	1 781	313	316	774
Libraries		4	17	7	9	9	9	9	10	10
Recreational facilities		30	9	11	11	11	11	12	13	13
Fire, safety & emergency		289	313	389	382	398	398	397	60	437
Security and policing		464	468	550	489	548	548	572	600	629
Buses										
Clinics		8	6	23	5	0	0			
Museums & Art Galleries		65	7	4	9	4	4	5	5	5
Cemeteries		156	2	139	50	50	50	53	55	58
Social rental housing										
Other										
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development										
Other										
<b>Other assets</b>		<b>307</b>	<b>450</b>	<b>670</b>	<b>610</b>	<b>663</b>	<b>663</b>	<b>992</b>	<b>1 400</b>	<b>1 094</b>
General vehicles										
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		307	450	670	610	663	663	992	1 400	1 094
<b>Intangibles</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - software & programming										
Other (list sub-class)										
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>5 097</b>	<b>5 505</b>	<b>10 013</b>	<b>8 548</b>	<b>10 299</b>	<b>10 299</b>	<b>6 250</b>	<b>6 545</b>	<b>7 598</b>
<b>Specialised vehicles</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Refuse										
Fire										
<b>R&amp;M as a % of PPE</b>		<b>2.1%</b>	<b>1.4%</b>	<b>2.3%</b>	<b>2.1%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.5%</b>
<b>R&amp;M as % Operating Expenditure</b>		<b>3.9%</b>	<b>3.4%</b>	<b>6.1%</b>	<b>4.4%</b>	<b>5.1%</b>	<b>5.1%</b>	<b>3.0%</b>	<b>2.9%</b>	<b>3.1%</b>



## 16.4 Future financial implications of the capital budget

Vote Description	Ref	2013/14 Medium Term Revenue & Expenditure			Forecasts	
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18
<b>R thousand</b>						
<b>Capital expenditure</b>	1					
Vote 1 - EXECUTIVE AND COUNCIL		1 005	37	45	60	32
Vote 2 - BUDGET AND TREASURY OFFICE		293	242	325	310	275
Vote 3 - CORPORATE SERVICES		2 330	1 070	14 025	1 215	1 500
Vote 4 - PLANNING AND DEVELOPMENT		80	-	-	-	-
Vote 5 - HEALTH		15	5	10	5	10
Vote 6 - COMMUNITY AND SOCIAL SERVICES		420	1 272	6 320	50	110
Vote 7 - HOUSING		-	-	-	-	-
Vote 8 - PUBLIC SAFETY		820	865	507	2 450	770
Vote 9 - SPORTS AND RECREATION		2 640	3 517	2 260	670	600
Vote 10 - WASTE MANAGEMENT		4 062	200	770	400	300
Vote 11 - ROAD TRANSPORT		28 510	26 010	21 020	5 050	4 750
Vote 12 - ELECTRICITY		1 438	2 293	2 227	1 590	1 415
Vote 13 - AIR TRANSPORT		-	-	-	-	-
Vote 14 - WORKSHOP		260	-	-	-	-
<b>Total Capital Expenditure</b>		<b>41 874</b>	<b>35 510</b>	<b>47 509</b>	<b>11 800</b>	<b>9 762</b>
<b>Future operational costs by vote</b>	2					
Vote 1 - EXECUTIVE AND COUNCIL		2 579	3 447	5 031		
Vote 2 - BUDGET AND TREASURY OFFICE		895	941	987		
Vote 3 - CORPORATE SERVICES		1 185	1 229	1 732		
Vote 4 - PLANNING AND DEVELOPMENT		134	141	148		
Vote 5 - HEALTH		114	120	126		
Vote 6 - COMMUNITY AND SOCIAL SERVICES		330	347	1 068		
Vote 7 - HOUSING		106	111	117		
Vote 8 - PUBLIC SAFETY		7 231	7 535	7 873		
Vote 9 - SPORTS AND RECREATION		2 725	2 851	3 281		
Vote 10 - WASTE MANAGEMENT		6 678	7 220	6 869		
Vote 11 - ROAD TRANSPORT		1 297	1 363	1 430		
Vote 12 - ELECTRICITY		1 994	2 097	2 200		
Vote 13 - AIR TRANSPORT		12	13	14		
Vote 14 - WORKSHOP		41	43	45		
<b>Total future operational costs</b>		<b>25 323</b>	<b>27 458</b>	<b>30 921</b>	<b>-</b>	<b>-</b>
<b>Future revenue by source</b>	3					
Property rates		33 019	34 683	36 598		
Property rates - penalties & collection charges		825	867	910		
Service charges - electricity revenue		56 636	63 767	72 904		
Service charges - refuse revenue		9 058	9 692	10 371		
Rental of facilities and equipment		1 267	1 333	1 398		
<b>Total future revenue</b>		<b>100 806</b>	<b>110 343</b>	<b>122 180</b>	<b>-</b>	<b>-</b>

## 17. LEGISLATION COMPLIANCE STATUS

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) became effective on 1 July 2004. Elements of the act have been phased in according to capacity of each municipality – high, medium and low.

The LG:MFMA has introduced significant changes to the financial management of local government. One of the main changes in budget preparation is that the single year, line item budgeting – which was a common feature of the previous practices – has been replaced by multi-year budgeting at a more strategic level.

The LG: MFMA aim to modernize budget and financial practices at all spheres of government, thereby facilitating effective service delivery. The general public plays an important role in ensuring a budget is set to reflect targeted service delivery. For example, during the budget preparation process, Section 21 of the LG: MFMA requires communities and residents within the municipal jurisdiction to be part of the Budget and Integrated Development Planning (IDP) processes. Section 8 of this report describes how this has been achieved.

Communities can also monitor the performance of the approved budget through regular reporting of the Service Delivery & Budget Implementation Plan (SDBIP) and the performance contracts of senior manager. These are prepared at the same time as the budget, thus ensuring alignment at the start of the financial year. Section 15 of this report provides some detail of the departmental SDBIP's that have been prepared. These highlight the key service delivery and performance targets that senior managers are accountable for.

Some of the key budget reforms encapsulated within the LG: MFMA, that uMlalazi has applied, are:

- Forward looking, multi-year budgets with strategic focus;
- Clear links between budget allocations and agreed policies;
- Improved integration of budget and planning processes;
- New budget process timetable with earlier adoption of budgets by council and earlier audits of Annual Financial Statements;
- Improved in-year reporting according to vote/function;
- Improved financial management information;
- Service Delivery and Budget Implementation Plans (SDBIP) developed and approved with budgets;
- New accounting norms and standards;
- Improvements to procurement and Supply Chain Management policies and processes;
- Establishment of a new audit committee and oversight process reforms and;
- Focus on performance measurement,

The LG: MFMA implementation is monitored through regular reporting including:

- Quarterly reviews of LG: MFMA implementation plans and 12 urgent implementation priorities checklist;
- Monthly returns to National Treasury and monthly reports to Mayor and Council, as required by Section 71;
- Publication of information on the municipalities website ([www.umlalazi.org.za](http://www.umlalazi.org.za)) and
- Mid-year budget and performance assessment as required by Section 72

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was prepared taking cognizance of the contents of the Municipal budget and reporting regulations, Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 51 and the LG:MFMA Budget Formats Guide received from National Treasury.

The objective of the regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities and municipal entities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the Act.

## **OTHER LEGISLATION**

The other important pieces of legislation when considering the budget processes are:

- The Division of Revenue Bill 2010 and
- The Municipal Systems Act (Act no. 32 of 2000), together with the Municipal Systems Amendment Act (Act No. 44 of 2003)

### **Division of Revenue Bill 2010**

This Bill issued in February annually, provides the three year allocations from national government to local government. It sets out all the reporting requirements and conditions relating to the grants. Alongside this Provincial Departments allocate funding to local government by means of a provincial gazette.

These allocations are used when preparing the three year budget in order to comply with Section 18 of the LG: MFMA (relating to reasonably anticipated revenues to be collected). Additional allocations – both nationally and provincially – are sometimes made to municipalities. However, these are not included in the original budget as the allocations are not certain. When confirmed they will be included in an adjustments budget in accordance with Section 28 of the LG: MFMA.

### **The Municipal Systems Act (Act no. 32 of 2000) and the Municipal Systems Amendment Act (Act No. 44 of 2003)**

These acts form the basis of the links between the budget and the Integrated Development Plan (IDP). In particular, the aspects that have been considered in preparing the budget are:

- Community participation (Chapters 4 & 5);

Performance management (Chapter 6) providing also the basis for measurable performance objectives in the Service Delivery and Budget Implementation Plan (SDBIP); and Tariff Policy (Chapter 8).

18. **MUNICIPAL MANAGER'S QUALITY CERTIFICATE**

I Thembakhosi Simon Mashabana, Municipal Manager of the uMlalazi Municipality,  
Hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act to a certain extent with the budget document as set out in schedule A of the regulations including the main tables (A1-A10), and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name.....T S Mashabana.....

Municipal Manager of .....uMLALAZI MUNICIPALITY.....

Signature.....

Date.....26/02/2013.....

## CONTACT DETAILS

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